



# **Urban Construction and Maintenance Program (Urban Manual)**

## **Policies and Guidelines**

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Local Assistance Division  
Virginia Department of Transportation  
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Commonwealth of Virginia

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## CHAPTER 1 – OVERVIEW OF URBAN PROGRAMS

### 1.1 General Overview

The *Code of Virginia* provides that any city or town which receives an allocation for construction funds for urban highways under [§33.1-23.3](#) will also receive payments for maintenance. These include:

- All cities regardless of population;
- All incorporated towns that have reached a population of more than 3,500 since the last census, according to evidence satisfactory to the CTB (by petition of the municipality);
- All incorporated towns which maintain certain streets pursuant to now repealed [§33.1-80](#) of the *Code of Virginia* (Chase City, Elkton, Grottoes, Narrows, Pearisburg and Saltville); and
- The towns of Wise, Lebanon and Altavista as provided for in [§33.1-23.1](#) of the *Code of Virginia*.

Regardless of any subsequent change in population, all cities and towns that have qualified for maintenance payments will continue to receive future payments and are required to continue to maintain their streets. The maintenance and operation of the urban system is the responsibility of the urban municipalities, and these municipalities are eligible to receive funds from the Commonwealth to support their local construction and maintenance programs. The funds are authorized by the Code of Virginia and allocated by the Commonwealth Transportation Board (CTB); the maintenance funds are disbursed on a quarterly basis. These urban municipalities are accountable for the maintenance and operation of their Urban Highway System. A current tabulation of Urban Municipal Mileage and Payments is available on VDOT's Local Assistance web page.

While these municipalities have a high degree of autonomy in the management of their streets and roads, the Virginia Department of Transportation (VDOT) retains oversight responsibilities and these municipalities must meet both State and federal requirements associated with the distribution and acceptance of State and federal highway funds. The *Code of Virginia*, the United States Code, and the Code of Federal Regulations establish the minimum legislative State oversight requirements and municipality reporting responsibilities.

The purpose of this guide is to provide uniform policy and procedural guidance to support urban municipalities and assist VDOT staff in the delivery of the urban program. This manual also establishes policy and program level guidance so that VDOT and urban municipalities can effectively meet the state and federal requirements.

## 1.2 Legislation

There are several important statutes that govern the urban system.

Maintenance funds are distributed to urban municipalities in accordance with [§33.1-23.1](#) of the *Code of Virginia*. This section of the *Code of Virginia* states that the Commonwealth Transportation Board shall allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § [33.1-41.1](#). The payments made for maintenance of eligible streets are based on the number of moving lane miles available to peak hour traffic multiplied by the specific rate of payment. Specifics of the Urban Maintenance Program are discussed in detail in Chapter 2 of this guide.

Construction funds are apportioned among eligible municipalities pursuant to [§33.1-23.3](#) of the *Code of Virginia*. In order to receive funds for construction, the municipality must have a qualifying project or projects which have been approved by the Commonwealth Transportation Board. The Urban Construction Program is discussed in detail in [Chapter 3](#) of this manual.

A complete listing of applicable sections of the *Code of Virginia* is included in Appendix A to this guide.

## 1.3 Federal Regulations

Federal funds represent a substantial portion of construction allocations for all highway systems. Urban municipalities have an obligation to comply with federal laws and regulations when federal funds are utilized in the delivery of construction projects. Pursuant to [Title 23 of the Code of Federal Regulations](#) 223, et seq., every state highway department is required to ensure that federal highway funds allocated to the state for highway purposes are properly utilized. This requirement is further conveyed to all sub-recipients utilizing federal funds in the delivery of transportation projects.

Throughout this manual, the United States Code (USC) and the Code of Federal Regulations (CFR) will be referenced, where applicable, when describing the requirements associated with the delivery of federally funded transportation projects. Specific guidance related to the administration of federal and state funded projects is contained in VDOT's [Locally Administered Projects Manual](#).



## **1.4 Roles and Responsibilities**

VDOT Districts will assign staff to act as the primary contact for urban municipalities. Coordination involving submissions of resolutions, quarterly payments, locally administered project agreements, city/state agreements, scope changes, reimbursements, reports, mileage adjustment requests, etc., are normally made through the designated primary point(s) of contact. This will include coordinating with the Programming, Local Assistance and other Central Office divisions.

## CHAPTER 2 – URBAN MAINTENANCE PROGRAM

### 2.1 General Overview

Urban municipalities receive maintenance payments in accordance with [§33.1-41.1](#) of the *Code of Virginia*, as amended for urban highways located within their boundaries, including those primary routes which lie within the boundaries of urban municipalities provided that the municipality has also agreed to maintain those routes.

These sections that follow provide greater detail regarding the maintenance payment process.

### 2.2 Eligibility Criteria for Street Payments

In order to receive maintenance payments, municipal roads must meet the criteria stated in [§33.1-41.1](#) of the *Code of Virginia* and as outlined in Section 1.1.

#### **General:**

- At least 50' of Right-of-Way (R/W) and at least 30' of hard surface; or
- At least 80' of R/W and at least 24' of hard surface and has approved plans for the addition of at least 24 ' of hard surface within the same right of way; or
- Cul-de-sac with at least 40' of R/W and standard turnaround; or
- Either:
  - Paved, and in Primary or Secondary System prior to annexation or incorporation; or
  - In Secondary System prior to annexation or incorporation and paved to at least 16' subsequent to annexation or incorporation with the further exception of streets previously maintained under [§33.1-79](#) or [§33.1-82](#) of the *Code of Virginia*.

#### **Situational:**

- Eligible for and receiving such payments under laws of the Commonwealth in effect on June 30, 1985;
- Is a street established prior to July 1, 1950 with at least 30' of R/W and at least 16' of hard surface;



- Functionally classified as a local street and constructed on/or after January 1, 1996, to the criteria for pavement width and right-of-way width of the then current Subdivision Street Requirements for secondary roads as outlined in Appendix B(1)-7, B(1)-8 and B(1)-9 of Appendix B of the Secondary Street Acceptance Requirements. This includes service/frontage roads where contiguous to an interstate, primary or urban system route;
- As provided in [§33.1-43.2](#) of the *Code of Virginia*, incorporated towns in which 70% or more of developable land has a natural grade of at least 20%. Such towns may, by ordinance, have a minimum right of way width of 40 feet and a minimum hard surface of 18 feet on collector/local streets.

There are also other circumstances where the *Code of Virginia* is silent – and a determination of eligibility is necessary based on CTB policy:

- The *Code of Virginia* is silent on the issue of pavement widths for cul-de-sacs. However, since the basic right-of-way width of 50' is reduced to 40', the Department shall consider requests for pavements less than 30' on a case by case basis giving consideration to the specifics of each case, but will not be considered if the request would compromise the health, welfare, or safety of the public. For the purpose of making this assessment, a cul-de-sac will be defined as a dead end street and open only at one end.
- The Virginia Land Subdivision Law of 1946 requires subdivision plats to be prepared by a licensed surveyor or civil engineer, acknowledged by the owner and approved by the local governing body before recordation. Further, after recordation, the plat transfers the street or streets shown thereon to the town or city in fee simple. Prior to 1946, the law required only that the platting of streets be accepted by a competent public authority.
- The Department has concluded if a city or town receiving street payments has jurisdiction over and operates a toll facility, the street is still eligible for maintenance payments.
- One-way streets, loop roads, and school bus entrances, will be eligible for street payments if they are constructed to at least a width of 16 feet with a right-of-way width of not less than 40 feet.

### **Waivers:**

The Commissioner may waive the requirements for hard surface or right-of-way width at the request of the local governing body to protect its drinking water supply, or for highways constructed after July 1, 1994, to accommodate some other special circumstance where such action would not compromise the health, safety, or welfare of the public. Each case is considered on its own merits and should be site specific. For

waiver consideration, the following must be submitted to your District who will then refer the request to the Local Assistance Division:

- Formal request from the local governing body;
- Map or site plan showing the layout of the proposed/ existing street(s);
- Proposed/ existing pavement and right-of-way widths;
- Forecasted traffic volumes; and,
- Reasons for requesting a waiver.

## **2.3 Maintenance of Primary Route Extensions within Municipalities**

When a municipality assumes responsibility for maintenance of its streets (those previously part of the secondary system maintained by the Department) under [§33.1-41.1](#), it also has the option of maintaining the primary routes which lie within its boundaries, although it is not a requirement of the *Code of Virginia*. VDOT and the municipality work together to determine maintenance responsibility for primary extensions within the municipality. If a municipality decides that it wants maintenance responsibility for the primary extensions, an agreement is executed.

### **2.3.1 Procedures for Requesting Route Number Changes**

When a municipality decides to modify or eliminate the numbering of a primary route within the municipality, a resolution adopted by the municipality's governing board requesting the change should be submitted to the District. VDOT may also initiate a route number change and will request concurrence from the municipality when it initiates such a change.

When a municipality request is received, or when the Department receives the municipality's concurrence for a VDOT initiated change, the request will be forwarded to VDOT's Maintenance Division which will obtain the necessary concurrence from the following, as applicable:

- Commissioner (for approval of signing for route number changes on the Urban Highway System).
- CTB (for those roads that are maintained by the Department).
- FHWA (for Interstate and for roads that fall within the National Highway System).
- AASHTO (for roads that fall within the National Highway System).

Once approved, the Urban Maintenance Inventory System (UMIS) will be updated. The District will then notify the municipality that the route number(s) can be changed.

## **2.4 Maintenance Payments**

The *Code of Virginia* in [§33.1-41.1](#) authorizes the Commissioner of Highways, with approval of the CTB to make payments to cities and certain towns for the maintenance of eligible highways.

In determining number of lane miles for payment, the following conditions shall apply:

- Turning lanes and ramps will not be considered for street payments. This includes center turn lanes unless they also serve as moving through lanes during peak hours.
- In order to qualify for payment, parking must be restricted and enforced by towing during peak traffic periods.
- Each road or street with more than two moving lanes must have pavement markings in accordance with the [Manual on Uniform Traffic Control Devices \(MUTCD\)](#).
- Pavement widths of less than 14 feet will qualify for only one moving lane even if it carries traffic in two directions.
- Non-hard surfaced streets do not qualify for street payments.

### **2.4.1 Payment Categories**

As specified in [§ 33.1-41.1](#) of the *Code of Virginia*, eligible payment categories are based on functional classification and include:

1. Principal and Minor Arterial Roads
2. Collector Roads and Local Streets

The state functional classification system is distinct from, but based on the federal classification of highways established by the Federal Highway Administration (FHWA). Generally, the functional classifications are comparable to each other; however, the state functional classifications must be used for those municipalities whose population is less than 5,000.

The functional classification of urban highways is further explained in Appendix [B](#) to this manual.

## **2.4.2 Payment Rates**

[Section 33.1-41.1](#) of the *Code of Virginia* directs the Department to recommend, to the CTB, an annual mileage rate per category, as defined in [Chapter 2.4.1](#) of this manual, computed using a base rate of growth planned for its Highway Maintenance and Operations Program budget,. The Department will then utilize those rates, as adopted by the CTB, to calculate and put into effect annual changes to each urban municipality's payment.

## **2.4.3 Quarterly Maintenance Payments**

The total annual maintenance payment for each eligible municipality is determined no later than June 30 of each year using the applicable payment rate multiplied by the number of approved lane miles within that municipality. A resolution approving the annual statewide allocation is approved by the CTB), typically at their June meeting.

Maintenance payments are then made quarterly, in equal amounts, on or before September 30, December 30, March 30, and June 30. Mileage adjustments submitted and processed during the year will not result in a payment modification during that fiscal year. Additions and deletions of lane miles is discussed in [Chapter 2.5.2](#) of this manual.

Additional information on mileage and payment rates (current & historical) as well as the payment process summary can be found on LAD's [Urban Maintenance Program website](#).

## **2.5 Maintenance Inventory**

Each municipality and the Department are required to keep a permanent record of eligible roads. The sections that follow summarize the requirements associated with maintaining and certifying eligible inventory.

### **2.5.1 Federal Inventory Reporting Requirements**

Congress mandated the use of HPMS ([23 U.S.C. 502\(h\)](#)) to support the development of a biennial Conditions & Performance estimate of the future highway investment needs of the nation. HPMS data are used for assessing highway system performance under the U.S. Department of Transportation and Federal Highway Administration's strategic planning and performance reporting process in accordance with requirements of the [Government Performance and Results Act](#) (GPRA, Sections 3 and 4) and for apportioning federal-aid highway funds. To address these needs, the HPMS was first developed in 1978 as a national highway transportation system database. In order to receive the maximum apportionment of Federal-aid highway funds, all public road

mileage in the Commonwealth (regardless of ownership or operational responsibility) must be annually reported.

The requirements for submitting the public road mileage are included in [23 CFR 460.3](#). Annually, each State must submit a certification of public road mileage to the FHWA Division Administrator. Certain data items including length, lane-miles, and vehicle miles traveled are required for all public roads that are eligible for federal-aid highway funds. These three data items are used in the apportionment of federal-aid highway funds. VDOT utilizes the Urban Maintenance Inventory System (UMIS) to meet this requirement for the urban system.

## **2.5.2 Roadway Network System**

VDOT's Roadway Network System (RNS) maintains a statewide inventory of all public roads in Virginia, whether or not they are controlled and maintained by VDOT. All roads are indexed by both VDOT route name (where such exist) and by street name. The roadway inventory provides multiple types of linear referencing systems (LRS) allowing business data to be referenced to a physical location. The system is geo-spatially referenced based on data provided by local governments to the [Virginia Geographic Information Network](#) (VGIN). This system includes geo-spatially referenced inventory data for all municipalities in the state in order to meet federal reporting requirements.

In addition to the above, there are many benefits for implementing the Road Network System. Some of the other benefits include:

1. Successful creation of a street name based LRS that integrates with RNS for all Municipalities. Since Virginia receives allocations from the federal government based upon the number of lane miles of public roads, the RNS program will adequately track the total number of public lane miles in the Commonwealth of Virginia so that the Commonwealth receives the appropriate amount of federal funding,
2. Allows locality data on a street map to be layered with pavement condition performance data in order to generate appropriate reporting,
3. Functional class data will be spatially joined with urban data,
4. Accident crash data/sites will be placed on all roadways within RNS, and
5. City/Town/County corporate limits and boundary adjustments will be spatially joined with the data.

### 2.5.3 Mileage Adjustments

Municipalities receiving maintenance payments may adjust their mileage inventory annually to reflect additions, deletions, annexations, mergers or incorporations that occur during the year. Each municipality must report its mileage adjustments on [Form U-1](#) and include a resolution from the local governing body and a sketch map showing the changes. Adjustments are submitted to the appropriate VDOT District with a copy to the Local Assistance Division as soon as the changes occur. However, the inventory, [U-1](#) and required documentation must be submitted to the Department no later than February 1<sup>st</sup> of each year in order to be eligible for payment in the next fiscal year (beginning July 1<sup>st</sup>). Mileage adjustments provided after February 1<sup>st</sup> will not be included in the following fiscal year's maintenance payments.

The Local Assistance Division will coordinate, as necessary, with the RNS Program Manager to ensure that necessary mileage adjustments are also made for the federal reporting system as outlined in [2.5.2](#).

#### 2.5.3.1 Procedures for Additions, Deletions and Functional Classification Changes

Streets must meet the criteria specified in [Section 33.1-41.1](#) of the *Code of Virginia* outlined in [Section 2.2](#) of this manual in order to qualify for maintenance payments. When streets meet these criteria, the municipality may request that the Department accept the streets into the Urban Highway System as follows:

1. Additions (or deletions) – the municipality will prepare [Form U-1](#), completing all but the last column. (Note: If criteria is used which contains verifiable dates, include necessary documentation).  
(Note to District: If deletions or changes occur due to project construction or traffic control measures by the municipalities, the municipalities should be notified that [Form U-1](#) submission is required).
  - a. City or Town prepares a map showing the location and dimensions.
  - b. City or Town Council adopts a resolution making a formal request.
  - c. City or Town submits resolution, [U-1 Form](#), and map to the District.
  - d. District staff reviews the documents, inspects the proposed street(s), approves and signs the [Form U-1](#), and forwards these to the Local Assistance Division.
  - e. The Local Assistance Division transmits the submission to the Transportation and Mobility Planning Division for review and determination of the appropriate

federal functional classification of each road or street. An explanation of the State and federal functional classification system for urban streets is provided in Appendix B.

2. Functional classification changes – the municipality should refer to VDOT's [Transportation and Mobility Planning Division](#) web site for guidance.
3. The Local Assistance Division, upon concurrence by TMPD, will make appropriate lane mileage and functional classification additions or changes to the Urban Maintenance Inventory and the Roadway Network System.
4. LAD will present annual system to the Commonwealth Transportation Board for approval of the centerline mileage.  
(Note: In the event centerline mileage is not affected, i.e., request involves modification only to lane mileage, the Local Assistance Division reviews and approves such requests and notifies all parties accordingly).

#### **2.5.4 Procedures for Annexations, Mergers, Incorporations or when Town Population Exceeds 3,500**

Section [15.2-3530](#) of the *Code of Virginia* requires that upon annexation or merger of a county with a city or town, and when in the opinion of the Commissioner, the annexed or merged areas become substantially urbanized (as defined by the U. S. Department of Commerce, Bureau of the Census (US Census), the streets will be transferred to the new municipality for construction, reconstruction and maintenance and funds will be allocated as provided by law.

Section [33.1-224](#) of the *Code of Virginia* requires that when a town's population exceeds 3,500, all roads and streets within the Secondary System will be eliminated from that system and the control and jurisdiction will be vested in the local authority. [Section 33.1-23.3](#), provides that this is based on the latest U.S. Census or evidence satisfactory to the CTB.

The procedures for the transfer of roads and streets to the municipality for street payments are as follows:

1. City or Town submits the following to the District:
  - a. Copy of approved annexation order, if applicable.
  - b. Certification of updated population;
  - c. Map of area involved;



- d. [Form U-1](#) listing streets to be transferred; and,
  - e. Council resolution requesting the roads or streets be accepted for urban street payments (Note: Only hard surface roads are eligible for street payments).
2. The District will provide the necessary guidance to the City or Town in completing the required forms, etc. After receipt and verification of the documents, inspection of the proposed streets, and approval of [Form U-1](#), they are forwarded to the Local Assistance Division, along with any appropriate comments and recommendations.
  3. The Local Assistance Division then transmits the submission to the Transportation and Mobility Planning Division (TMPD) for review and determination of the appropriate federal functional classification of each road and street.
  4. The Local Assistance Division, upon concurrence by TPMD, will make the appropriate lane mileage and conctional classification additions or changes to the Urban Maintenance Inventory and the Roadway Network System.
  5. LAD presents the inventory modifications to the CTB, prior to July 1<sup>st</sup>, for approval of the centerline mileage the effective date for street payments begins on July 1<sup>st</sup>.

### **2.5.5 Mileage Inventory**

VDOT is required report all public roadway mileage in the Commonwealth to the FHWA annually. The Department and each municipality will keep permanent records of all eligible roads, except that the Department's records will only be updated once a year.

## **2.6 Eligible Maintenance Activities**

Section [33.1-23.02](#) of the *Code of Virginia* defines the term "maintenance" as ordinary maintenance, maintenance replacement, and any other categories of maintenance which may be designated by the Commissioner. Ordinary maintenance activities pertain to preservation of each type of roadway structure and facility as near as possible in its condition as constructed. Maintenance replacement activities pertain to the function of restoring each type of roadway structure and facility as near as possible to its condition as constructed.

Generally, in-kind replacements (including bridges) are acceptable maintenance activities; betterments are not. However betterments or improvement work may be

undertaken along with maintenance work provided that proper financial credits or deductions are made and documented in the accounting process. In some cases, certain maintenance related capital expenditures are allowed, however, these must be reviewed and approved by the Local Assistance Division prior to the expenditure.

A list of ordinary maintenance and maintenance replacement activities are included in [Appendix C](#).

## **2.6.1 Standards of Maintenance**

Municipalities that receive maintenance payments agree to maintain principal and minor arterials for which payment is received. Municipalities are fully responsible for all maintenance and operations of streets that are included in the VDOT urban maintenance inventory.

The *Code of Virginia* in [§33.1-41.1](#) provides that payments for maintenance will be made only if principal and minor arterials are maintained in accordance to applicable standards of the Department. These maintenance standards are described in [Appendix D](#).

## **2.6.2 Maintenance of Roads within Limited Access Interchanges**

As a general policy, the maintenance of interchanges and grade separation bridges at all intersections of Interstate, Primary or Toll Roads will be the responsibility of the Department within the controlled limits of the facility. The cost will be apportioned through the appropriate system's maintenance funds. Payments will not be made for street or road mileage maintained by the Department under this provision.

Municipal streets passing through Interstate, Primary or Toll Road facilities may be maintained by the municipality in accordance with the following provisions:

- Where the Interstate, Primary or Toll Route passes under a municipality maintained street or road, the maintenance of the surface and sidewalks of the bridge and the approach roadways to the back of the shoulder line shall be the responsibility of the municipality. The practical extent of the municipality's maintenance responsibility is snow removal, pavement marking, and keeping the surface and sidewalks clear of debris.
- Where the Interstate, Primary or Toll Road passes over a municipality maintained street or road, the maintenance of the entire bridge and slopes back of the normal ditch or sidewalks, including ramp connections to the edge of the street pavement, shall be the responsibility of the Department. The street roadway

underneath the Interstate, Primary or toll route shall continue to be the responsibility of the municipality.

- When the Primary route intersects with a road or street maintained by the municipality, the Department will maintain that portion of the street, on the right-of-way of Primary Roads, as follows:
  - a. VDOT will perform all physical maintenance to the surface, and will furnish, erect and maintain any necessary directional signals, overhead signs, all other signs (except for Street Naming Signs), pavement markings, and other related signal equipment.
  - b. The municipality will furnish, erect and maintain, in accordance with the current MUTCD standards, “Stop” and “Yield” signs if required.
  - c. Should the municipality wish to perform other work on the State right-of-way, they will acquire a [Land Use Permit](#) in accordance with the provisions of the [Land Use Permit Manual](#), prior to performing any work.

The Department will continue to control and maintain all signs, signals, other traffic control devices and lighting within the limited access right-of-way of interchange areas. Signals within the interchange areas may be maintained by the municipality when mutually agreed upon by the Department and the municipality. The municipality may install signs along limited access facilities under authority of a [Land Use Permit](#) issued by the Department. In such cases, the Land Use Permit will specify the maintenance responsibility of such signs.

VDOT may install signs on municipal rights-of-way only with previous approval by the municipality. Guide signs and signs from the [Integrated Directional Signing Program](#) (IDSP) for interstate facilities may be installed on municipal rights-of-way. Once these signs are installed, on local streets beyond the limited access area, they will be maintained by the municipality.

As provided by *Code of Virginia* [Section 33.1-58](#), any highway, street, or portion thereof, to which access rights of abutters have been acquired by the CTB and which is subsequently incorporated into the street system of a city or town by any method, shall remain limited access until and unless the governing body of the city or town, after securing the approval of the CTB, acts to discontinue such limited access feature.

However, for such limited access streets not on the National Highway System or that meet any other provisions above, the locality shall have, pursuant to the provisions of [§15.2-2026](#) of the *Code of Virginia*, the same authority with respect to such streets as the CTB does under the provisions of [§33.1-57](#) et seq. of the *Code of Virginia*.

For limited access breaks requests, refer to Section 3.9

## **2.7 Local Performance and Accountability**

[Section 33.1-41.1](#) of the *Code of Virginia* requires that any city or town receiving maintenance payments report both financial and system condition data to the CTB in the manner prescribed by the Board and report their performance as required in [§33.1-23.02\(B\)\(3\)](#) of the *Code of Virginia*.

### **2.7.1 Financial Accounting, Reporting and Certification of Expenditures**

[Section 33.1-41.1](#) of the *Code of Virginia* requires an annual audit of maintenance payment expenditures. The receipts and expenditures must be recorded by the municipality in a separate highway maintenance account. The account must be supported by sufficiently detailed information necessary to determine the source of funds and identify all expenditures by category. Such expenditures may include cost for labor, equipment, materials and any indirect or overhead charges related to applicable street maintenance expenditures. All expenditures must be supportable and the records maintained by the municipality must meet reasonable audit tests. The records of each fiscal year shall be audited by a CPA firm, retained by the municipality under the [State Auditor of Public Accounts procedures and requirements](#).

Following the completion of the audit, municipalities are required to make an annual report, accounting for their expenditures, and to certify that none of the payments received have been expended for other than maintenance, construction, or reconstruction on eligible streets as defined in Chapter 2.2 of this manual. The information must account for all expenditures and delineate between construction and maintenance payments. This required report is made through completion of the [Weldon Cooper Center for Public Service Local Finance Survey](#). This online survey provides data to VDOT that fulfills both the state reporting requirements and the annual Federal Highway Administration form [FHWA-536](#) requirements. The survey will be sent to each municipality by the Weldon Cooper Center in January of each year. Each municipality is required to submit its completed survey, showing the total annual road payment receipts and the audited expenditures by category, by March 31. Municipalities also must electronically certify that all expenditures were spent on eligible activities.

The Department reserves the right to perform supplemental audits of accounting systems and records as it deems appropriate to ensure compliance.

### **2.7.1.1 Carry Forward**

Maintenance payments are intended to be spent during the fiscal year in which the payments are made and may include encumbered contractual obligations or a statement of work for carryover to cover a shortfall in expenditures. However, any remaining balances will automatically be carried forward for use in the subsequent fiscal year. Those municipalities that have not expended all of their maintenance payments are required to provide a written explanation on the [Weldon Cooper Center for Public Service Local Finance Survey](#).

### **2.7.2 Performance Reporting**

In 2004, the General Assembly modified [§33.1-41.1](#) of the *Code of Virginia* to require greater reporting and accountability of local governments receiving maintenance funds from the Commonwealth. The legislation required municipalities to report on their performance as specified in [subdivision B 3 of 33.1-23.02](#) of the *Code of Virginia*. After extensive work with a group of local government stakeholders, there was agreement to monitor performance on bridges and pavements to fulfill this requirement.

#### **2.7.2.1 Bridges**

Performance of bridges is measured based on the General Condition Rating (GCR) assessed during National Bridge Inventory ([NBI](#)) bridge inspections. The performance target for both VDOT and Localities is that less than 40% of structures have a minimum GCR rating of less than 6. Each bridge is assigned three General Condition Ratings after each safety inspection: one for superstructure, one for deck and one for substructure. Culverts are assigned a single rating after each inspection. The minimum GCR is the lowest of the General Condition Ratings assigned to a particular structure. The baseline measure in 2006 showed that 22% of structures in the Urban System had a minimum GCR rating of less than 6. The performance measure is reviewed on a biennial basis.

VDOT provides Urban System bridge deficiency rates in “real time” on the [VDOT Dashboard](#). Section 2.8.2 discusses Bridge Safety inspection in greater detail.

#### **2.7.2.2 Pavements**

The Highway Performance Monitoring System (HPMS) is a highway information system utilized by the FHWA that includes data on the extent, condition, performance, use, and operating characteristics of the nation’s highways. The [Highway Performance Monitoring System](#) includes information on pavement condition for sample segments based on International Roughness Index (IRI), which is the worldwide standard for measuring ride quality.

IRI INDEX RATINGS	
<100	Good
≥100 <170	Fair
≥170	Poor

Although, this information is beneficial, it is not comparable to VDOT's pavement performance measurement system and does not provide for a direct correlation in reporting performance. Until a more global measure of pavement performance is developed and implemented, the IRI data from the [Highway Performance Monitoring System](#) will be used as an interim indicator of pavement performance for municipalities. Meanwhile, data from the [Highway Performance Monitoring System](#) will be reported.

## 2.8 Annual Inspections

### 2.8.1 Annual Inspections of Arterial Routes

The purpose of street inspections is to identify deficiencies and to expedite corrective actions. [§33.1-41.1](#) of the *Code of Virginia* requires that arterial streets be inspected annually and further states that maintenance payments will only be made for principle and minor arterial roads that are maintained to a standard satisfactory to the Department. At a minimum, Urban system arterial streets should meet the Department's Standards of Maintenance. A copy of the Standards of Maintenance is provided in [Appendix D](#). The Residency Administrator, or other assigned District staff, is responsible for scheduling annual road inspections, which should be made in the company of an authorized municipal employee. All roads and streets, which are functionally classified as principal arterial and minor arterial, must be visually inspected each year. District staff, the Residency Administrator, or other designated staff who is performing the inspections, should exercise good judgment in determining maintenance deficiencies. In coordination with LAD and the District, each locality is assigned a month that the inspections take place. The Residency Administrator or designee is required to submit the Street Condition Report [Form U-5](#) to the Local Assistance Division Director following the annual inspection. LAD coordinates with the District/Residency to establish the date the inspections are due. The annual inspections of arterial routes provide a general overview of the condition of the roadways and identifies obvious deficiencies and safety concerns. The locality has an overarching responsibility to continuously inspect and maintain all of the elements identified in [Appendix D](#) and to correct any safety issues within 6 months of being identified. The locality should develop a plan for correcting identified deficiencies within a reasonable amount of time.

The District must re-inspect deficiencies identified on [Form U-5](#) within six months and report corrective actions and/ or recommendations as to whether or not the street payments should be deleted for the deficient section. This process will continue until the

deficiency is corrected or the localities action plan is being implemented.

If a deficiency cannot be corrected within six months, the municipality must submit a written corrective action plan to VDOT. If the deficiency is not corrected or reported on a corrective action plan, funds may be deleted from the municipality's payment. A minimum of 0.1 lane mile, and increments of 0.1 mile, thereafter, will be deleted for payment for each segment of street containing deficiencies. For example, if a drainage inlet is clogged, causing water to stand on one lane, which affects traffic in only one lane, then 0.1 mile shall be deleted. If more than one lane of traffic is affected, each should be counted. As another example, when a sign is non-standard and should be removed or changed, if it is visible to two lanes of traffic for 0.2 mile, then 0.4 mile would be deleted. All deficiencies noted are totaled and the deletion of payment for the deficiencies may begin with the next quarterly payment. The Local Assistance Division Director will make the final determination for such deletions. Any deletion of payment will extend for a minimum of six months (two quarters) and will not be recoverable.

## **2.8.2 Bridge Safety Inspections**

Bridge safety is of utmost importance. FHWA and the Department require strict compliance with the [National Bridge Inspection Standards \(NBIS\)](#), particularly with regard to the frequency of inspection and load posting requirements. FHWA policy requires the suspension of federal-aid in any State or local jurisdiction in which there are substantial NBIS deficiencies. [Section 116 of Title 23 of the U. S. Code](#) indicates that if a project is constructed in whole or in part with federal funds, that project is to be maintained at a level acceptable to the U. S. Secretary of Transportation or the Secretary will withhold federal funds until an acceptable level of maintenance is achieved. Municipalities are required to perform bridge safety inspections on the bridges for which they have maintenance responsibility, but they can contract with VDOT to perform the inspections.

The VDOT District Structure and Bridge Engineers are responsible for ensuring that the bridge inspection requirements are met by the municipalities. Additional guidance is available in the current Instructional and Informational Memorandum [S&B-27](#).

The National Bridge Inspection Program has undergone recent changes and will move from a subjective program to a data-driven, risk based process. The program establishes national consistency and will have clearly defined terms and processes. The new NBIP oversight includes 23 individual metrics. Each metric covers specific requirements of the NBIS. The new NBIP will have three assessment levels with each level having specific criteria to be reviewed. Finally the new NBIP will have four levels of compliance. Each level has specific thresholds to meet for compliance. The compliance status will be continuously updated based upon statistical samples with the "Final Summary of Metric Compliance Report," being reported annually on December



31<sup>st</sup>. More information can be found on the [National Bridge Inspection Standards \(NBIS\)](#) on FHWA's website.

**In accordance with CTB Policy, if a municipality fails to perform the necessary inspections, the Local Assistance Director may elect to withhold maintenance payments in a manner prescribed in section 2.8.1. VDOT will continue to work closely with the municipality to ensure the inspections are completed. If a municipality is unable to complete the inspections in a timely manner, VDOT may unilaterally perform the necessary inspections and either reduce the municipality's quarterly maintenance payment or invoice the municipality to reimburse the Department for these inspections.**

## CHAPTER 3 – URBAN CONSTRUCTION PROGRAM

### 3.1 General Overview

Virginia's urban system receives an allocation for construction funds as provided for in [§33.1-23.3](#) of the *Code of Virginia*, as amended. Each municipality (defined in [§33.1-23.3](#)) receives a portion of the urban allocation, based on population (their apportionment) annually, for eligible construction projects. As with maintenance payments, all cities and towns which become eligible for urban allocations continue to receive an apportionment, regardless of subsequent changes in population.

VDOT administers urban projects in the SYIP, unless the municipality has entered into a programmatic or project-specific agreement with the Department to locally administer their project(s). This section of the manual outlines the legislative and regulatory requirements associated with construction funding. Locally administered project delivery guidance is found in the [Locally Administered Projects Manual](#) (LAP Manual); where project delivery issues are unique to the urban program and are not addressed in other guidance, they are addressed in this Manual.

### 3.2 Programming and inclusion in the Six Year Improvement Plan

Any project in a municipality utilizing state or federal transportation funding must be included in Virginia's Six Year Improvement Program (SYIP).

When considering the inclusion of these urban construction projects in the Six-Year Improvement Program (SYIP), municipalities should:

1. Determine if the proposed projects meet eligibility requirements (see [Section 3.3](#),
2. Hold a public hearing to solicit public input, prioritize their needs; and
3. Make a request to the Department through the submission of an adopted Council resolution that identifies and describes the requested project(s). The resolution must include:
  - a. Provisions for payment of a local share, if applicable, of the cost for preliminary engineering, right-of-way, and construction.
  - b. A provision that, should the project be cancelled by the municipality, it agrees to reimburse the Department the total amount of all costs incurred and expended by the Department up to the date of cancellation (sample resolutions are included in Appendix [E](#) & [F](#)).Resolutions must be submitted to the Department not later than December 31st for inclusion in the subsequent fiscal year SYIP (July 1<sup>st</sup>). Mid-year additions are acceptable under certain circumstances and would require an exception from LAD.
4. In MPO areas, all federal planning regulations, such as the inclusion of the project(s) in the fiscally constrained long-range plan, must be met prior to submitting the programming resolution.

In accordance with §[33.1-23.3.B](#) of the *Code of Virginia*, a municipality must have a project in the SYIP, approved by the CTB, in order to receive urban formula funding ([see 3.4.1](#)). Accordingly, each municipality must submit, annually, a list of their projects and the funding priorities for those projects that will be funded in whole or in part with urban formula funding. This submittal is required by December 31<sup>st</sup>. The annual apportionment of urban formula funding to any municipality cannot exceed the estimated costs of projects on this priorities list.

Should the municipality elect to have a project removed from the SYIP, it must submit an adopted resolution, indicating such removal, to the Local Assistance Division Director.

### **3.3 Project Eligibility**

Whether or not federal and/or state transportation funds can be used on an urban project is largely a function of some combination of the functional classification of the road, the purpose of the project, and the type of funding being used. Further, some specific activities on otherwise qualified projects may not be eligible for reimbursement.

As outlined in [Section 3.4](#), funding for projects in the urban system is a combination of federal and state aid; both federal and state aid include multiple funding programs, each with their own use and eligibility requirements and expectations.

Generally, to qualify for urban formula allocations, projects must:

- be classified as an arterial or collector road in the State functional Classification System (local roads are eligible for allocations made entirely of state funding), and
- be reflected in an approved transportation plan/study conducted by or for the Department or the municipality, or
- be identified as a safety and/or capacity need (as determined by established criteria of the Department). These include (i) deficient bridge on a public street, (ii) railroad grade protection, (iii) intersection improvement, (iv) signal or signal system improvement, (v) certain transit projects associated with the direct movement of people and goods, or other projects approved by the Local Assistance Division Director

To qualify for federal-aid funds the project must enhance the federal-aid system and may include pavement rehabilitation projects and meet the specific eligibility requirements for the federal funding program. Similarly, state-aid program funds have their own eligibility requirements. Eligibility requirements are outlined in the [Section 3.4](#), below.

## 3.4 Construction Program Funding Sources

### 3.4.1 Urban Formula Funding (allocations)

[§33.1-23.1](#) of the *Code of Virginia* provides that all highway funds, with the exception of federal interstate funds and certain other special fund categories are allocated by formula among the various highway systems. Thirty percent (30%) of the funds available for construction are allocated to the urban system. The funds are further appropriated to qualifying municipalities based on their population. These funds are characterized as Urban Formula Funds.

Municipalities are required to provide a 2% match to their urban formula funds. However, the six municipalities that qualified under the provisions of [§33.1-80](#) are not required to provide a local match, until their populations exceed 3,500. For all municipalities, the urban formula funds may be a combination of federal and state allocations. For the federally funded portion, the the distribution among the contributing parties is 80%-18%-2%, federal, state, and local, respectively. For the state funded portion, the distribution among the contributing parties is 98% and 2%, state and local, respectively. The distribution for those municipalities qualifying under 33.1-80 is 80%-20% (federal-state) for federally funded projects and 100% (state) for state funded projects. These distributions are reflected in VDOT's Six-Year Improvement Program as described in [Section 3.4.2](#).

The CTB allocates federal and state highway funding to specific projects, locates routes, and provides funding for airports, seaports, and public transportation. Each year the CTB allocates funding through discretionary funding programs under their control. These programs are discussed further in the following sections.

### 3.4.2 Surface Transportation Program (STP)

The Surface Transportation Program (STP) provides flexible funding that may be used by States and municipalities for projects to preserve and improve the conditions and performance on any federal-aid highway, including the National Highway System (NHS), bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

For a program summary including a discussion of eligible activities and funding features, please refer to FHWA's [STP fact sheet](#).

### **3.4.3 National Highway Performance Program (NHPP)**

The NHPP provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.

For a program summary including a discussion of eligible activities and funding features, please refer to FHWA's [NHPP fact sheet](#).

### **3.4.4 Congestion Mitigation and Air Quality (CMAQ)**

The Congestion Mitigation and Air Quality (CMAQ) program provides a funding source for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

For a program summary including a discussion of eligible activities and funding features, please refer to FHWA's [NHPP fact sheet](#).

Language has been included in the state budget requiring the expeditious expenditure of CMAQ funds. Municipalities receiving CMAQ funds must ensure that the funds for those projects are obligated within 24 months of allocation and that the project is advanced so that the funds are fully expended within 48 months of their obligation. If the CMAQ funds are not expended within the deadline, the Commonwealth Transportation Board may re-allocate any remaining funds to any other eligible project. Municipalities are responsible for funding any amount in excess of the CMAQ allocations.

### **3.4.5 Federal Bridge/Off System Bridge**

There is no separate federal bridge funding program for highway bridges in MAP-21. Bridge repair and replacement work may be funded using the National Highway Performance Program (NHPP) and the Surface Transportation Program (STP) funds. States may use NHPP and STP funding to improve the condition of their highway bridges through replacement, rehabilitation, and systematic preventive maintenance. MAP-21 requires that in each fiscal year at least 15% of the 2009 Highway Bridge Program apportionment from the STP funding be utilized to improve bridges that are not on the federal-aid system (Note: "off-system" structures are bridges or large culverts on roads that have been classified as rural minor collector or local and urban collector or local. Bridge and off-system bridge projects are prioritized for funding by VDOT staff.

The availability of funding for any particular structure is determined by a combination of considerations, including total available funding for all off-system bridges, bridge essentiality, use and condition (based on the data provided in periodic bridge inspection reports). Allocations are approved by the CTB.

### **3.4.6 Special Funding Programs**

Municipalities are eligible for a number of special funding programs, through the Commonwealth Transportation Board, VDOT, and their MPOs. The following section identifies those programs and provides links to information on eligibility criteria and application processes.

#### **3.4.6.1 Regional Surface Transportation Program Funds (RSTP)**

Regional Surface Transportation Program (RSTP) funds are STP funds that are apportioned to specific regions within the state. RSTP funds are programmed by the Metropolitan Planning Organization (MPO) serving specific urbanized areas.

Eligibility for RSTP projects are the same as with STP projects. Examples of projects that are eligible for funding under the RSTP program include projects that improve capacity, accessibility, and operations. Other projects that qualify may include intermodal transportation projects, transit projects, planning studies, transportation demand, and management projects.

Language has been included in the state budget requiring the expeditious expenditure of RSTP funds. Municipalities receiving RSTP funds must ensure that the funds for those projects are obligated within 12 months of allocation and that the funds are fully expended within 36 months of their obligation. If the RSTP funds are not expended within 36 months of their obligation, the CTB may rescind any required matching funds for the federal funds. Municipalities are responsible for funding any amount in excess of the RSTP allocation.

#### **3.4.6.2 Highway Safety Improvement Program (HSIP)**

The Highway Safety Improvement Program (HSIP) provides funding to reduce traffic fatalities and serious injuries on all public roads. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance.

The Virginia Department of Transportation (VDOT) has developed a HSIP that involves the identification of high crash spots or corridor segments, an analysis of crash trends and existing conditions, and the prioritization and scheduling of improvement projects. VDOT's HSIP consists of the following programs: **Highway Safety Program (HSP)**,

**Bicycle and Pedestrian Safety Program (BPSP), High Risk Rural Road Program (HRRRP) and Highway-Rail Grade Crossing Safety Program (H-RGCP).**

Municipalities receiving HSIP funds must ensure that the funds for those projects are obligated within 12 months of allocation and that the funds are fully expended within 36 months of their obligation. If the HSIP funds are not expended within 36 months of their obligation, the CTB may rescind any funding allocated under the HSIP program.

Municipalities are responsible for funding any amount in excess of the allocation. More information can be found at the following link:

[http://www.virginiadot.org/business/ted\\_app\\_pro.asp](http://www.virginiadot.org/business/ted_app_pro.asp)

FHWA provides a program and funding features overview in their [HSIP fact sheet](#).

### **3.4.6.3 Revenue Sharing**

The purpose of the Revenue Sharing program is to provide additional funding for use by a county, city, or town to construct, reconstruct, improve, or maintain highway systems within such locality. The Revenue Sharing program provides a dollar for dollar match to local funding, up to certain limits established in Virginia Code. The CTB designates an annual allocation of funds available to the Program. The program is administered by VDOT under the authority of Section [33.1-23.05](#) of the *Code of Virginia*. Additional funding on the Revenue Sharing program including eligibility requirements, application timelines, and application process is available on VDOT's Revenue Sharing [website](#).

### **3.4.6.4 Transportation Alternatives**

The Transportation Alternatives Program was established by MAP-21 and combines several former SAFETEA-LU programs into one funding program. This program now includes:

- Many of the former Transportation Enhancement Program activities
- The Safe Routes to Schools Program (see [website](#) for additional information)
- The Recreational Trails Program
- Planning, designing, or constructing roadways within the right-of-way of former Interstate routes or other divided highways

Examples of projects funded by this program include sidewalks, bike lanes, and the conversion of abandoned railroad corridors into trails.

Transportation Alternatives funds are allocated annually by the Commonwealth Transportation Board after a selection process that includes the MPO'S in TMA areas.



Information on the Transportation Alternatives program including eligibility requirements, application timelines, and application process is available on VDOT's Transportation Alternatives website, and specifically in the Transportation Alternatives Program Manual.

### **3.4.6.5 Access Programs**

#### **3.4.6.5.1 Economic Development Access Program**

The Economic Development Access Program provides funding to finance the construction or improvement of roads to new or expanding qualifying economic development sites. The roads provide access from the nearest adequate publicly maintained road to the primary entrance of the qualifying site. A new access road constructed and funded under this program must be accepted into the municipality's road system. The funding cannot be used to provide a driveway or direct road into the facility.

The Economic Development Access Program is administered by the Commonwealth Transportation Board, which allocates funds to eligible projects as provided under the authority of Section [33.1-221](#) of the *Code of Virginia*.

Information on the Economic Development Access Roads Program, including eligibility requirements and application information is available on VDOT's Access Programs [website](#).

#### **3.4.6.5.2 Airport Access Program**

The Airport Access Program provides funding for the construction or improvement of roads serving new or expanding airports. The funding is intended to allow for access to the property or land, but not provide a driveway or direct road into the facility. A new access road constructed and funded under this program must be accepted into the municipality's road system.

The Airport Access Program is administered by the Commonwealth Transportation Board, which allocates funds for eligible projects as provided under the authority of Section [33.1-221](#) of the *Code of Virginia*.

Information on the Airport Access Program, including eligibility requirements and application information is available on VDOT's Access Programs [website](#).

#### **3.4.6.5.3 Recreational Access Program**

The Recreational Access Program provides funding for roadway and bikeway access to new or expanding non-federal public parks or historic areas. A new access road

constructed and funded under this program must be accepted into the municipality's road system. Bikeways must be for access purposes only, and are not intended as stand-alone leisure facilities, but must have a terminating point of interest, such as a bike parking lot in the vicinity of the park facilities or historic site.

The Recreational Access Program is administered by the Commonwealth Transportation Board, which allocates funds for eligible projects as provided under the authority of Section [33.1-223](#) of the *Code of Virginia*.

Information on the Recreational Access Program, including eligibility requirements and application information is available on VDOT's Access Programs [website](#).

### **3.5 Federal-aid Obligation**

As stated previously, for construction using federal funds, municipalities must comply with the same state and federal laws and regulations as VDOT. This includes compliance with all financial and project delivery requirements associated with federal-aid project delivery.

The Federal-Aid Highway Program is a reimbursement program, meaning that eligible project expenditures are paid by FHWA after the municipality expends those funds. Most federal funding programs have expiration dates for obligation of funds, which means that the availability of these funds will lapse at a specified time. FHWA programs are typically four years after the funds are apportioned by FHWA. Therefore, it is incumbent on each and every user of federal funding to implement projects in a timely manner to prevent this loss. A lapse of funding in any municipality may have a detrimental effect on the entire state. For example, a state that does not utilize its original federal obligation in any area is not eligible for additional federal discretionary funds and can result in a loss of additional obligation authority.

When a particular phase of a federal project is authorized by FHWA, all of the funding associated with that authorization is considered obligated at that time, even though the funds have not been spent or a contract has not been executed. However, there are cases, such as the necessity to accumulate funds for a large cost project, when the allocations cannot be obligated or expended, within the specified time frames. In cases where a municipality may not be able to obligate its federal allocation within the required deadline, the municipality must notify their local VDOT contact prior to the deadline. VDOT may require a letter of explanation and a plan of action to fully obligate the funding. These will be considered by VDOT on a case-by-case basis.

### 3.6 Inactive Projects and FIRE Reporting

After obligation, projects are expected to demonstrate an acceptable level of progress toward completion. In accordance with [23 CFR 630](#), obligated projects with unexpended balances that have been inactive for extended periods of time, will be flagged for audit. In order to ensure that federal funds are being utilized effectively, projects with no billing activity for 12 consecutive months may be subject to “de-obligation” by FHWA. If a locally administered project is flagged, VDOT will consult with the municipality to determine if reasonable progress is being made and the date when an invoice can be expected from the municipality. If such a determination is made, VDOT will notify FHWA and additional action may not be needed. However, if VDOT determines that reasonable progress is not being made, it may, in coordination with FHWA, de-obligate the federal funding for that project. In addition, the FHWA can unilaterally de-obligate funds on inactive projects.

### 3.7 Debt Reimbursement

Section [33.1-23.3](#) of the *Code of Virginia* allows up to two thirds (2/3) of the annual construction apportionment for the urban formula funding to be used to reimburse the municipality for debt incurred for eligible project costs on approved projects.

The following provisions apply to debt reimbursement:

- For a project to be eligible, it must be included in the Commonwealth Transportation Board’s Six-Year Improvement Program and in the municipality’s capital improvement program.
- A resolution from the municipality requesting that a portion of its annual urban allocation to be set aside for reimbursement for a specific eligible project is required.
- A municipal/ state agreement will also be required outlining such terms and conditions as may be prescribed by the Commissioner of Highways.
- The allocation to be set aside will be limited by the amount of funds previously committed by the CTB for projects contained in the SYIP. The Department will consider as committed any funding necessary to finance expenditures on any project and the funding necessary to fully finance, through construction, any project that has progressed to the right-of-way acquisition stage.
- The payback is limited to a maximum of 20 years.

- All debt reimbursement projects are subject to annual appropriation and allocation by the Commonwealth Transportation Board and shall not constitute a debt or obligation of the Commonwealth Transportation Board or the Commonwealth of Virginia.

### **3.8 Project Payback/Non-completion of Projects**

Federal law and regulation place requirements on recipients of funding for completion of transportation projects. [Section 102\(b\) of title 23, United States Code](#), as amended by SAFETEA-LU, requires repayment of all federal-aid reimbursements for PE costs on any project that has not advanced to Right-of-Way acquisition or construction within 10 years after Federal-aid funds are first made available. [630.112\(c\)\(2\) of title 23, Code of Federal Regulations \(CFR\)](#), provides States a slightly longer timeframe in that right-of-way (ROW) or construction must be started by the close of the tenth fiscal year following the fiscal year in which the project is authorized. FHWA has a longstanding policy of not requiring payback when non-completion is directly related to compliance with another federal law. If a municipality subsequently elects to cancel a project, the municipality will be responsible for reimbursing VDOT the total amount of the costs expended for the project.

FHWA has issued a [policy memorandum](#) clarifying their interpretation of the law and regulation regarding pay-back requirements. Please refer to the policy memorandum or your local VDOT contact for more information on repayment requirements.

### **3.9 Project Development and Delivery**

#### **3.9.1 VDOT Administered Projects**

VDOT administers all construction projects in a municipality that are included in the SYIP unless otherwise requested through the “Request to Administer,” or alternative process as outlined in Chapter 10 of VDOT’s [Locally Administered Projects Manual](#). Municipalities that participate in the UCI program are expected to administer all construction projects within their respective municipality.

When VDOT administers a project in a municipality, VDOT will follow established VDOT practices and procedures. Those are identified and clarified in various guidance documents, including but not limited to, CTB Policies, VDOT Road and Bridge Specifications, Virginia Road Design Manual, I&IMs, and Construction Directives.

For VDOT to administer a municipal project, the project must be programmed in the SYIP. A municipality may request that VDOT program a project in the SYIP per [Section 3.2](#) of this manual. VDOT will then work with the locality to develop a scope, schedule, and estimate for the project and establish an agreement (see [Section 3.9.2](#)).

### **3.9.2 Locally Administered Projects**

When a municipality administers a VDOT-funded project, the municipality must adhere to those processes and procedures outlined in VDOT's [Locally Administered Projects \(LAP\) Manual](#).

### **3.9.3 Project Agreements**

For VDOT administered projects, after the scoping phase of the project, VDOT and the municipality will develop a project agreement with an Appendix (referred to as the project agreement Appendix A) that will define the responsibilities of VDOT and the municipality for project development, funding sources, match requirements, billing amounts, and general project estimates by phase (see [Appendix G](#) in this manual for additional details).

As defined in the project administration agreement and associated project agreement Appendix A, VDOT will bill the locality on a monthly basis (or other agreed to schedule) for its share of the project based on estimated costs for the currently authorized phase(s). The project agreement Appendix A will be updated whenever there is a change in scope, significant change in estimate or funding, or at the next authorized phase.

When a municipality administers a project, a LAP Agreement must be executed. See Chapter 10 of the LAP Manual for detailed requirements.

### **3.9.4 Standards and Specifications**

All locally administered projects on the urban system must be designed in accordance with AASHTO's Policy on Geometric Design of Highway and Streets (the "Green Book") or seek a design exception. For further information on design exceptions, refer to Chapter 12.2.4 of the [LAP Manual](#).

Municipalities may develop their own design standards and construction specifications, which meet or exceed VDOT and AASHTO. However, they must be reviewed and

approved by VDOT for use on federal-aid projects. If a municipality intends to utilize local standards and specification for a project on the National Highway System (NHS), the standards and specifications will also need to be reviewed and approved by FHWA.

### **3.9.5 Sole Source and Proprietary Procurement**

The use of sole source and proprietary items should be avoided except when there is no other feasible alternative. Special approvals are necessary to include these types of items in a contract. The use of brand names should only be used with caution. There is some confusion on the definition and differences between sole source and proprietary, this is clarified below.

#### **• Sole Source Items**

A Sole Source Item is any product used on a project where the product may be procured from **only one** source, and is therefore subject to no price competition. This is a very rare situation. State procurement regulations require approval to employ a sole source item on a project. Federally funded projects may require FHWA approval.

#### **• Proprietary Items**

A Proprietary Item is different from a sole source in that even though it is available from only one manufacturer, it is sold by various vendors and thus has some price competition. It is perfectly acceptable to use a brand name product so long as “or equal” is utilized in the description or specification. State approval is necessary and on federally funded projects, FHWA approval may be required.

#### **Public Interest Finding (PIF)**

- When Patented or Proprietary products are to be used
- Mandatory source
- Develop description of need –
  - Limitations
  - Conditions
- Engineering and economic analysis
- Available only for single instance
- Submit to Department for approval
- Will require FHWA approval as well

Appendix H provides guidelines on the use of Proprietary Signal Controllers and Cabinets.

### **3.9.6 Land Acquisition / Utility Relocation**

Municipalities have a responsibility to assure VDOT that all land acquisitions and utility relocations that are financed with federal or state funds meet the standards as outlined in the [Uniform Relocation and Real Property Acquisition Policies Act \(49CFR24\) \(Uniform Act\)](#). These standards are outlined in the [Locally Administered Projects Manual](#) and municipalities must follow those guidelines.

#### **3.9.6.1 Land Acquisition**

##### **3.9.6.1a Limited Access**

Projects designated as Limited Access shall have the right-of-way acquired strictly as designated on the approved plans, no changes or additional access points are permitted without official action and written approval of the Commonwealth Transportation Board (CTB). Under [Section 33.1-58](#) of the *Code of Virginia*, the CTB has the authority to regulate or limit the use of a highway including designating it as a limited access highway. If it is subsequently incorporated in the street system of a municipality, it may discontinue such limited access features with the approval of the Board.

##### **3.9.6.1b Advance Acquisition**

Municipalities should work with their Project Coordinator on site plan reviews where private development is (or will be) taking place along urban roads or streets which may require reconstruction or improvement as an urban highway project. Every effort should be made to preserve a corridor within an area that may be needed for future transportation projects.

Controlling such areas required for future project development is difficult. Some techniques available may be: dedication of right-of-way through zoning ordinance requirements, urban permit requirements, advance purchases by the municipality, advance right-of-way acquisition by the Department, or other procedures.

Advance purchase by the municipality is another possible procedure for preserving such needed right-of-way. In such cases, the city or town must utilize its own funds for the original purchase. Accurate records will be kept in order to document the value at the appropriate time.

Advance acquisition of right-of-way may be authorized for extreme landowner hardship or for protective buying for an impending transportation project. However, such procedures can only be authorized if (a) a project has been programmed, (b) funds are available (an allocation to the project) and authorized, and (c) a location has been approved by the CTB and a plan has been prepared for right-of-way acquisition.



### 3.9.6.1c Purchase of Residue Parcels

VDOT typically has purchased residue parcels as outlined in [Section 33.1-91](#) of the *Code of Virginia* where it is economically appropriate and the residue is purchased along with the right-of-way. It is important to note that the *Code of Virginia* limits the ability to purchase residue parcels of no more than two acres using the eminent domain procedures and no more than ten acres of residue parcels through voluntary conveyance. Where an acquisition results in an uneconomic remnant (that which cannot continue to be used because of size, shape, etc., for the same highest and best use as before) [Section 25.1-248](#) of the *Code of Virginia* requires that the Department offer to acquire the entire property subject to the acreage limitations discussed above.

[Section 33.1-23.3](#) allows acquisition of property outside of the normal right-of-way width when the property's use has been impacted by the transportation improvement for which right-of-way is to be acquired. This broadens the traditional economic justification for right-of-way acquisition for construction improvements on functionally classified arterial streets. Accordingly, should a municipality want to pursue acquisition of residue parcels based on this legislation, it will be necessary for the municipality to demonstrate that one or all of the conditions in the legislation are satisfied. This should include, but not necessarily be limited to, the following:

- The municipality master plan and zoning support the need for special land use control directly related to the purpose and need of the project.
- A traffic analysis of sufficient detail that provided justification for access control.
- A traffic analysis that demonstrates improvements to traffic flows and traffic system utilization.
- A traffic engineering analysis that demonstrates improvements to traffic safety.

Procedurally, a municipality interested in pursuing an improvement project in this manner should present the necessary data to support its request at the project scoping stage. Each such improvement will be considered by VDOT on a project by project basis, and approved by the District Administrator, if appropriate.

The Department may dispose of residue parcels remaining after completion of transportation projects. The proceeds of the sale of such parcels, less the costs associated with the sale of the property, will be included in the municipality's urban allocation. This may result in a deduction from the urban allocation if costs exceed the proceeds from the sale. Residue parcels may also be transferred to the municipality for disposition at their request.

### **3.9.6.1d Purchase of Right-of-Way Within Municipalities**

In accordance with *Code of Virginia* [Section 33.1-89](#), the Commonwealth Transportation Commissioner is vested with the power to acquire by purchase, gift, or power of eminent domain such lands, structures, rights-of way, franchises, and easements deemed to be necessary for the construction and maintenance of public highways. For state and federal projects within a municipality, the Commissioner is authorized to exercise this power if requested by the municipality. The Commissioner shall convey the title for all property acquired on behalf of the municipality to the municipality under state law.

### **3.9.6.2 Utilities - Accommodation of Utilities on Street Right-of-Way**

Municipalities have the responsibility to maintain the highway right-of-way under their jurisdiction and to preserve the operational safety, integrity, and function of the highway facility. Since the manner in which utilities cross or otherwise occupy highway right-of-way can materially affect the safe operation, maintenance and appearance of the highway; it is necessary that such use and occupancy be authorized and reasonably controlled.

[Section 15.2-2017](#) of the *Code of Virginia* provides in essence that no utilities or like enterprises shall be permitted to use the right-of-way of a municipality without the consent of the corporate authority of such municipality.

The location and installation of utility poles and other above ground utility facilities on Urban projects shall conform to [VDOT Land Use Permit Manual](#) or be subject to the approval by the Department.

In regard to placing utility facilities underground, the municipality's urban allocation can reimburse fifty percent (50% is capped at \$5,000,000) of the additional cost to place the facilities underground in conjunction with a transportation project. The 2000 General Assembly amended [Section 33.1-44](#) to eliminate the municipality's 50% cost cap for the Cities of Chesapeake, Richmond, Hampton and Newport News. See the Department's [Underground Utility Relocation Policy](#).

### **3.9.7 Bicycle Facilities**

The Department's policy for [Integrating Bicycle and Pedestrian Accommodations](#) for developing facilities in conjunction with urban highway projects or for comprehensive planning purposes became effective on March 18, 2004 with its adoption by the Commonwealth Transportation Board. Design guidance is provided in the Department's [Road Design Manual](#). This policy applies to both VDOT and locality managed projects that are receiving funding from the Department. The policy requires that accommodation for bicycles and pedestrians must be considered as part of any project funded by the Commonwealth Transportation Board.

When bicycle facilities are provided on urban projects, the maintenance of the facility will be the responsibility of the municipality. The municipality must prohibit all motorized vehicles, except those used for maintenance purposes.

### **3.9.8 Landscaping (Aesthetic Enhancements)/Streetscape**

Landscaping is important to enhance the safety and visual quality of our roads, mitigate negative views, and maintain quality of life for our communities. VDOT supports context sensitive solutions. Accordingly, it is VDOT's policy to allow landscaping features as an eligible project cost. Recommendations for landscaping should be made at the scoping stage of the project.

- Landscape elements must be designed in accordance with the latest edition of the AASHTO Road Design Manual.
- Requests for irrigation systems in conjunction with a landscape project can be considered as a part of the project. The cost of irrigation systems is not eligible for reimbursement and the locality must pay 100% of the cost of an irrigation system and also assume all maintenance responsibilities upon completion of the project.
- Where landscaping will be provided by local government or private groups or individuals, all plant material, signs, irrigation systems, or other right-of-way encroachments must comply with Regulation for Landscape Recognition and Identification Signs and Structures, [24 VAC 30-121-10 et seq.](#)
- [Section 33.1-47.1](#) of the *Code of Virginia* provides that a municipality may elect to conduct a landscape study to evaluate the impact of proposed transportation projects on the existing flora and fauna. These studies must be funded by the municipality. The Department will consider recommendations from these studies to protect natural flora as part of the project development process.

Landscaping for urban projects shall consist of planting beds or pits, plants, trees, groundcover and topsoil (when depth exceeds 2"). Other items to be included are pavers or non-standard materials in medians in conjunction with median landscaping, traffic islands and roundabouts. Also trellis structures when necessary for plantings in front of sound barrier walls.

Pavers and colored and stamped asphalt for crosswalks are considered participating items as they draw attention to the pedestrian area and serve as a traffic calming device. These features must meet the latest edition of the MUTCD.

### 3.9.9 Storm Sewers

All parallel and transverse storm sewers and all appurtenances, such as drop inlets, manholes, etc., that fall within the right-of-way limits of urban improvement or construction projects on existing or new locations and are considered necessary for adequate project drainage can be included at project costs. This participation is allowable provided that all storm water to be conveyed is normal to the project limits and is not diverted from another watershed.

All storm sewers and outfalls constructed outside of the normal right-of-way limits of urban projects that are considered necessary for adequate project drainage can be included at project costs for the construction of the project; provided none of the storm water to be conveyed is diverted from outside the project limits. All storm sewers and outfalls constructed outside of the normal right of way limits of urban projects that are beyond that needed to adequately drain the highway project shall be financed on a run-off ratio basis between state funds and city or town funds.

Whenever parallel storm sewers, manholes, etc., within an urban project or outfalls beyond the project limits are utilized by a municipality for the conveyance of diverted storm drainage, then the cost of such storm sewers, outfalls, etc., shall be financed on a run-off ratio basis between state funds and municipal funds. See [I&IM 146](#) for further information.

### 3.9.10 Roadway Lighting

Section V of VDOT's Traffic Engineering Manual contains VDOT's [Roadway and Structure Lighting Manual](#) is used when determining cost eligibility for highway projects. VDOT can participate in roadway lighting as a project cost for replacement of existing roadway lighting or when requested by a municipality and when deemed necessary for traffic safety. Illumination of a previously unlit roadway when it is not considered a safety issue can be undertaken at the municipality's total expense. Stand-alone lighting projects can also be considered, when deemed necessary for traffic safety; however, the costs associated with stand-alone projects would have to be prioritized and weighted against other system needs.

The policy allows for the construction, operation, and maintenance of roadway lighting systems on all VDOT roadway systems. Many municipalities have depended on their power utility companies to provide roadway lighting, therefore:

- A utility company can install and maintain lighting exclusively in a given municipality at project cost as described above. In this case, the lighting would be installed by the utility company and payment would be made by the plan and

estimate method. This would make it unnecessary to use the low bid process as power companies work under franchise agreements with municipalities and have SCC regulated service areas.

- Plans can specify utility poles and other materials if they meet the standards of the municipalities, the utility company and national standards. The utility company should be allowed to approve the poles and materials to ensure effective maintenance and service.
- A utility, whether a local government or a power company, can install lighting by using their crews or a contractor under the plan and estimate procedure once the lighting is approved by VDOT (Traffic Engineering Section of L&D and Right-of-Way Divisions).
- A utility company can supply their own poles, at project cost or their cost, for installation by the VDOT contractor but this is not recommended. It is best to specify the materials in the plans and require the contractor to bear the liability and responsibility of handling and installing.
- If the utility company is allowed to install lighting under the plan and estimate method at the same time the roadway contractor is pursuing roadway work, a special provision must be included in the plans making the contractor aware of the street lighting work and schedule.
- If the plan and estimate method is used, the utility may want to use a consultant or VDOT to do the engineering design work. Either would be acceptable.
- Poles may be located inside of the desirable clear zone of 9.5 feet provided the justification for doing so exists (no right-of-way, building lines, undue cost, etc.) and the absolute minimum clear zone of 1.5' from the face of curb is not violated. The project manager is responsible for documenting any variation from the desirable clear zone.
- Existing non-roadway lighting may be replaced at project expense.

### **3.9.11 Processing of VDOT Billing and Locality Reimbursements**

As outlined in [Section 3.4.1](#), municipalities are often required to provide matching funding to their projects.

When projects are locally administered, reimbursements to the locality are managed in accordance with Chapter 19 of the Locally Administered Projects Manual. Local match requirements and estimated VDOT oversight costs are identified on Appendix A of the Project Administration Agreement. These charges, including the local share of VDOT

oversight costs, are deducted from reimbursements. Refer to Chapter 19 of the Locally Administered Projects Manual for additional information regarding reimbursements for locally administered projects.

When VDOT administers an urban project, VDOT District staff will work with the locality to develop a scope, schedule, and estimate for the project. After the scoping phase of the project, VDOT and the locality will develop a project agreement with an Appendix (referred to as the project agreement Appendix A) that will define the responsibilities of VDOT and the municipality for project development, funding sources, match requirements, billing amounts, and general project estimates by phase and completion (see [Appendix G](#) in this manual for additional details).

In order to recoup the local share of funding, VDOT will bill the locality on a monthly basis (or other agreed to schedule), based on estimated costs and schedule for the currently authorized phase(s). For example, if the local share for the Preliminary Engineering phase of a project is \$40,000 and the schedule for Preliminary Engineering is eight months, VDOT will bill the locality \$5,000 monthly. Monthly billing amounts will be adjusted, in the Appendix A of the Project Administration Agreement, as each new phase is authorized. The project agreement Appendix A are updated whenever there is a change in scope which affects the estimate, a change in funding, and at each new phase authorization or major project milestone.

### **3.9.12 Project Maintenance and Modification**

Federal regulations ([23 CFR1.27](#)) require the perpetual maintenance and operation of a facility constructed with federal funds. When a municipality undertakes construction of a facility utilizing federal or state transportation funds, the municipality commits to maintenance and operation of the facility as constructed.

## CHAPTER 4 – OPERATIONS

### 4.1 General Overview

All cities and towns with populations over 3,500 have operational responsibility for their local road system. Payments for operational activities are included in the maintenance payments provided each quarter. These municipalities have control over policy and priority setting, scheduling, and program delivery approaches for operational activities, including access control, permitting, and land development transportation reviews. All activities must adhere to nationally recognized standards and coordination with VDOT may be necessary as noted below.

### 4.2 Traffic Control

#### 4.2.1 Devices

All signs, signals and signal detection devices, pavement markings, and other message relating mediums must conform to the most current edition of the [MUTCD](#) and the [Virginia Supplement to MUTCD](#).

Municipalities having road maintenance responsibilities are also responsible for the installation, maintenance, and control of traffic signs and pavement markings within the local road system. However, [§33.1-47](#) of the *Code of Virginia* requires that all markings and traffic control devices installed by towns on Primary routes maintained by VDOT first be approved by the Commissioner.

#### 4.2.2 Traffic Signals

Installation of traffic control signals must meet the warrants established in the latest edition of the [MUTCD](#). Signal poles may need to be stronger and higher or provide an extension for luminaries. If such a pole is needed, it is eligible as a project expense. Non-breakaway poles, cabinets and other associated fixed objects located within the clear zone should be protected with the appropriate guardrail system. For Sole Source and Proprietary Product Procurement see section 3.9

#### 4.2.3 On-Street Parking

As a general rule, on-street parking is not to be provided at project cost as a part of an urban formula project. Where on-street parking is permitted, it is generally allowed until such time as traffic volumes warrant otherwise; at which time on-street parking must be eliminated. Where parking is prohibited, appropriate “No Parking” signs must be erected in conformance with the [Manual on Uniform Traffic Control Devices \(MUTCD\)](#). Any changes in parking provisions shall be subject to the approval of the Department.



#### 4.2.4 Restriction of Traffic

Prohibition of traffic through a municipality may be allowed on selective routes when reasonable alternative routes are provided and they are properly signed and marked. Elimination of peak hour through traffic may result in a reduction of a municipality's maintenance payment (see [Chapter 2, Section 2.2](#)).

[§46.2-809](#) of the *Code of Virginia* also provides additional guidance regarding the regulation of through truck traffic in certain municipalities.

#### 4.2.5 Speed Limit Changes

In accordance with the provisions in § [46.2-878](#) of the *Code of Virginia*, municipalities may increase or decrease speed limits on any highway under their jurisdiction as well as establish differentiated night time and day time speed limits on any highway under their jurisdiction. Prior to implementing any change in speed limits, the municipality must conduct a traffic engineering investigation and install appropriate signs.

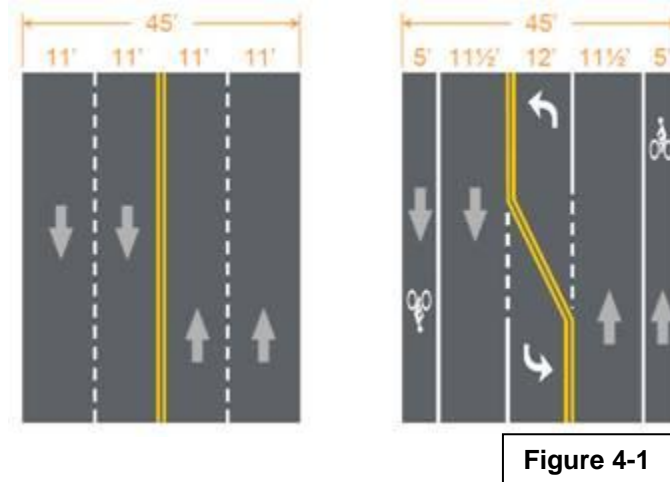
### 4.3 Road Diet

Road diet is a technique used in urban design and transportation planning whereby the number of travel lanes in and/or the width of a road is reduced in order to achieve systematic improvements. Road diets are often used to improve the safety of two-way streets with 4-lane sections by reducing streets to 1 travel lane in each direction, adding bicycle lanes, and including a turn lane in the middle, as depicted in Figure 4-1. The following are potential considerations for municipalities interested in road diets for roads eligible for urban maintenance payments:

- Municipalities should ensure their lane mile database is accurate. By keeping the database up to date with all new lanes, municipalities can maximize their urban maintenance payments.
- Municipalities that allow parking lanes to be opened to peak hour traffic can include those lanes in their urban maintenance payments funding formula.
- Where safe to do so, municipalities can look to narrow existing travel lanes in order to provide space for bike lanes on a road segment. This can serve as an alternative to reducing the number of lanes and will allow municipalities to continue to receive the same amount of urban maintenance payments.
- Road diets can be low cost if planned in conjunction with reconstruction or simple overlay projects, since a road diet mostly consists of restriping. Roadways with Average Daily Traffic (ADT) of 20,000 or less may be good candidates for a road

diet and should be evaluated for feasibility. Driveway density, transit routes, the number and design of intersections along the corridor, as well as operational characteristics are some considerations to be evaluated before deciding to implement a road diet. Additional information can be found at the following FHWA website: [http://safety.fhwa.dot.gov/provencountermeasures/fhwa\\_sa\\_12\\_013.htm](http://safety.fhwa.dot.gov/provencountermeasures/fhwa_sa_12_013.htm)

- Municipalities should work with VDOT's Local Assistance Division or their District contact to determine if the roadways that are part of the urban maintenance inventory that are being considered for the road diet meet applicable standards.



#### 4.4 Structures and Bridges

Municipalities must notify the District Bridge Engineer immediately when a structure on a locally maintained road is altered, thereby affecting the clearance or capacity either permanently or temporarily.

Municipalities are responsible for posting restricted vertical clearances on all locally maintained roadways in accordance with Section [46.2-1110](#) of the *Code of Virginia*.

*Note: Bridge Condition Ratings and Safety Inspection requirements can be found in Chapter 2.8.2.*

#### 4.5 Coordination when Development Impacts the Interstate and Primary System

By agreement with the FHWA, interstate cross streets require access control and management within 100 and 300 feet of the ramp termini in rural and urban areas, respectively. The two main reasons for maintaining this control of access are 1) to preserve the operational and safety integrity of the intersection and crossroad, and 2) to prevent traffic from backing up onto the main lines of the interstate due to traffic conflicts that are too close to the exit terminal.

[Section 15.2-2222.1](#) of the *Code of Virginia* requires all development proposals that have a significant impact on the primary system of state highways be reviewed by VDOT prior to the locality taking action. Per [24VAC 30-155](#), in municipalities that maintain their own local roadways, for a development or rezoning that will generate in excess of 5,000 trips per day, the locality must submit to VDOT a development proposal if the work is located within 3,000 feet of a connection to a state controlled highway, or

The proposal for residential rezoning generates more than 400 daily vehicle trips on a state-controlled highway and, once the site generated trips are distributed to the receiving highway, the proposal's vehicle trips on the highway exceed the daily traffic volume such highway presently carries. For the purposes of determining whether a proposal must be submitted to VDOT, the traffic carried on the state-controlled highway shall be assumed to be the most recently published amount measured in the last traffic count conducted by VDOT or the locality on that highway. In cases where the site has access to multiple highways, each receiving highway shall be evaluated individually for the purposes of this determination.

Additional information on these development submission and review requirements can be found in the [Traffic Impact Analysis Regulations](#) on VDOT's website.

Additional information on the access management standards for principal arterials can be found on the [Access Management](#) page of VDOT's website.

## CHAPTER 5 – URBAN CONSTRUCTION INITIATIVE (UCI)

### 5.1 General Overview

The *Code of Virginia* in [§33.1-23.3 D](#) provides that interested municipalities may assume responsibility for their urban highway construction program. After doing so, the municipality becomes part of the Urban Construction initiative (UCI), formally known as the First Cities Program. Under this initiative, a municipality assumes full responsibility for highway construction projects and receives certain project delivery and oversight streamlining benefits. When a municipality elects to participate in the UCI program, it will begin receiving urban formula allocations quarterly (September 30th, December 30th, March 30th and June 30th) from VDOT. The payments are reduced by the amount of federal-aid construction funds which are forecast to be available to the municipality, and also by any amount forecast to be expended by VDOT or DRPT for prior projects being administered by VDOT at the municipalities' request. Federal funds that are retained by VDOT are made available as a reimbursement for qualifying expenditures.

In keeping with the intent of the Code requirements, the municipality will be expected to begin administration of projects currently under VDOT administration, generally at the beginning of the next phase of project development/delivery. If agreed to by both parties, VDOT may continue administration of any project but will enter into a memorandum of understanding regarding such administration.

Participation in the UCI program has many advantages, including:

- **Local Control of the Urban Construction Program.**
  - Urban Allocations are locally programmed.
  - State funds are received quarterly and are locally managed.
  - Transportation and Land Use decisions are made at the local level.
  - Municipalities have the opportunity to become certified.
- **Local Control of Projects**
  - There is a streamlined agreement process.
  - Project level billing is streamlined.
  - There is local control of project level decision making.
- **Financial Benefits**
  - The state portion of urban allocations are received quarterly.

- Reduced submittal requirements for project phase authorizations by the local government

However, there are a number of realities and responsibilities associated with the UCI program, which include:

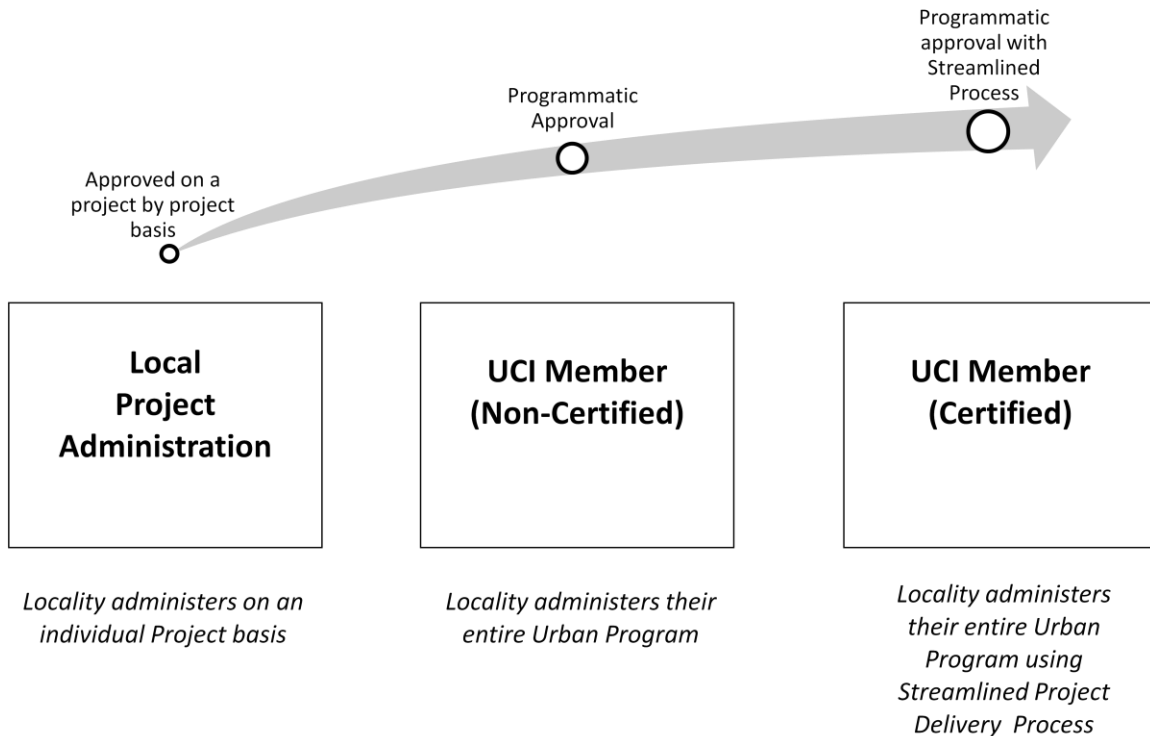
- **Statutory and Regulatory Requirements**

- Federal requirements do not go away.
- VDOT is still responsible to the FHWA for delivery of the federal program.
- The municipality certifies that projects meet state and federal requirements.

- **Accountability**

- The municipality becomes accountable for all phases of project development/delivery.
- The municipality is the sole point of contact for citizen interest.
- The municipality is responsible for meeting federal financial obligation strategy.

## Project Delivery Options Available



### 5.2 Process to Participate in UCI

Generally the project delivery processes outlined in the Locally Administered Projects Manual are applicable to UCI Projects, with some efficiencies specific to UCI localities noted. Municipalities are encouraged to contact their District when there is a question regarding applicability.

Municipalities that are interested in participating in the UCI program must notify the LAD of their intent to assume this responsibility by December 31st for implementation the next fiscal year. The expression of intent is generally communicated by a resolution adopted by the municipality's Board or Council. A sample resolution is provided in Appendix I. The municipality should work directly with their VDOT District to be assured that the proper information is being submitted and transmitted to VDOT's Local Assistance Division.

When a municipality elects to participate in the UCI it must enter into a programmatic administration agreement with VDOT. The agreement spells out the terms and conditions under which the municipality can participate in this program. A sample administration agreement is available in Appendix J.

### **5.3 Program Management**

UCI participant municipalities can find program guidance in both this manual and in VDOT's [Locally Administered Projects Manual](#). Municipalities are encouraged to closely review and understand the processes and responsibilities outlined in these manuals as a substantial deviation, particularly of federal requirements, may result in either loss of federal and state funds, or the requirement to reimburse VDOT for any payments already made.

### **5.4 Audit/Fiscal/Budget**

#### **5.4.1 Audits and Compliance**

VDOT may conduct random audits of basic construction and project records to verify compliance with applicable federal and state laws and regulations and any requirements within the standard agreement and/or these guidelines. Project records must be maintained for not less than three (3) years following FHWA acceptance of the final voucher, and the municipality shall make such records available to VDOT upon request. Additional information regarding audits and compliance can be found in Chapter 7 of the LAP Manual.

#### **5.4.2 Recovery of VDOT Costs**

It is recognized that VDOT will have various costs associated with the administration of this program. For routine administrative activities such as overhead, providing programmatic assistance and guidance, minimal to no fee will be charged to a municipality. However, VDOT costs associated with project oversight activities will be direct billed to the municipality for reimbursement. Additional information regarding billing and VDOT costs can be found in [Appendix K](#).

Under the UCI Program, the municipality is electing to manage their entire construction program. However, under certain circumstances, VDOT may agree to provide specific project services for requested assistance during the program transition period, as a training opportunity, and/or for purposes of meeting federal obligations. In these instances, approval by VDOT's Chief Engineer is required, in addition to an independent administrative agreement. VDOT will direct bill the municipality on a cost basis for these services. Additional information can be obtained from VDOT's Local Assistance Division.

A third category of charges by VDOT is for such activities as providing certification, SERP, or an oversight function such as reviewing plans, and administering the Civil Rights and Environmental programs. In these instances, VDOT will direct bill the



municipality. VDOT will provide the municipality a cost estimate for oversight work for each project.

VDOT will develop project specific funding worksheets for each UCI participant project to identify eligible funds, costs and reimbursements. A sample worksheet can be found in [Appendix L](#).

#### **5.4.3 Processing of Invoices**

As provided for in the standard programmatic agreement, the municipality may submit monthly project level invoices to VDOT for reimbursement of remaining federal funding. However, to ensure timely processing of invoices and to comply with federal requirements, invoices should be submitted at least quarterly. All invoices should also be submitted within ninety (90) days of the completion of work. A project level invoice, accompanied by supporting documentation, should be submitted to the Project Coordinator. The supporting documentation should include copies of invoices paid by the municipality and a “to-date” project summary schedule, tracking payment requests and any adjustments. In lieu of copies of invoices paid by the municipality, a one-page summary of what documentation the municipality has on file may be used, provided that it is signed by the municipality’s Director of Finance, Accounting Manager, or local employee of similar position. [Appendix K – Attachment A](#) includes a document entitled “[Urban Allocations Paid Directly to Urban Municipalities](#)” that contains a sample submission showing all of the information needed for reimbursement, including [documentation of the municipality’s required two percent \(2%\) match](#).

VDOT will reimburse the available federal allocations to the municipality within thirty (30) days of receipt of an acceptable invoice. The amount may be reduced if a project does not have sufficient federal allocations shown in the SYIP.

A municipality may be compensated for indirect costs, provided that they have an approved Indirect Cost Plan. The municipality should work with their VDOT District to have such a plan reviewed and approved by the Department

#### **5.4.4 Local Match**

State law requires the municipality to provide a local match, from its own funds, to the state and federal funding needed for a project under this program. Typically the local match is two percent (2%), however in some cases the local match may be higher or lower depending on fund types and allocation date. When an invoice is presented for reimbursement from VDOT, 100% of the eligible costs should be shown. The municipality can request reimbursement of the federal funding and must account for the state funding paid in quarterly payment(s) and the local share being applied to the project. This cost to the municipality should be noted and adequate records maintained

to document this. This results in the federal and/or state share being ninety-eight percent (98%) of eligible project costs assuming a two percent (2%) local match. The use of direct-charge, in-house, municipality staff time is allowed to count towards the municipality's two percent obligation.

The Virginia Appropriations Act language removed the 2% match requirement for projects initiated under this initiative after July 1, 2005. These projects will be identified as such in the SYIP and in program worksheets.

#### **5.4.5 Annual Project Financial Status Reporting**

A [project status report for all projects](#) must be submitted on an annual basis to the Local Assistance Division. This Annual Report should include the estimated project costs, expenditures to date, and the amount of federal state and local funding applied to each UCI project. The report shall be submitted by August 31 of each year. A sample Annual Report can be found in [Appendix K](#), labeled "Sample Annual Project Financial Status Report".

### **5.5 Urban Construction Initiative Certification Program**

#### **5.5.1 Introduction**

Municipalities that are participating in the VDOT Urban Construction Initiative (UCI) Program may apply to be certified to deliver projects with streamlined oversight from VDOT. Certification with streamlined oversight applies to all projects except for those that are located on the National Highway System (NHS), that have been noted as requiring Federal Oversight (FO) or that have been identified by the Commissioner as requiring VDOT oversight.

This section describes the application, evaluation and qualification requirements for municipalities to become certified for delivery of their program and projects with federal funding with reduced oversight from VDOT. This section should be read in conjunction with the Certification and Compliance flowchart included as [Appendix M](#).

The major steps in the flowchart are explained below along with details of the submission requirements that municipalities will be required to meet, what information must be submitted and how VDOT will evaluate that information.

#### **5.5.2 Initiation of Certification Process and Eligibility Requirements**

Certification is voluntary and each municipality must decide for themselves if it fits their needs or not. VDOT is responsible to FHWA for projects that receive federal funding.

As such VDOT must ensure that only eligible and suitably qualified municipalities are allowed to deliver projects via a certification process.

The first step of VDOT's evaluation process is eligibility. In summary, the eligibility requirements are:

1. The Locality has demonstrated its ability to administer and deliver federally funded projects via a combination of projects from different federal funding sources (i.e. not solely Urban), and has accomplished this through the use of local or contracted resources. Experience must be demonstrated in the following areas at a minimum:
  - a. Preliminary and final engineering
  - b. Meeting NEPA requirements
  - c. Undertaking Land Acquisition
  - d. Procuring Consultants
  - e. Undertaking Construction Project Management
2. The Locality has participated in the UCI Program for a minimum of one (1) year and must have demonstrated programmatic responsibilities, such as fiscal management.
3. The Locality must have have any unresolved compliance issues arising from Office of Management Budget (OMB) Audits, VDOT findings of non-compliance or FHWA findings of non-compliance or non-participation.

Before progressing further, it is recommended that the Locality discuss the eligibility requirements with its local VDOT Liaison and Local Assistance Division (LAD) to decide if it can meet them. If the Locality has any concerns regarding previous VDOT and/or FHWA compliance issues these should be raised with the LAD Director and discussed prior to expressing interest in becoming certified.

Municipalities that believe they are eligible must formally express interest in Certification via a Letter of Intent from a Locality Administrative Official to the LAD Director. In no more than two pages, the Locality should state the reasons why it is pursuing certification and how it meets the eligibility criteria. In responding to the criteria on demonstrated ability to administer and deliver projects, the Locality is required to include within their Letter of Intent a brief list of projects that support their eligibility. The list should include the project description and UPC reference code.

VDOT will review the Letter of Intent with assistance from the Home District Administrator and his or her staff. The LAD Director will carry out the final evaluation and respond within 30 days. A positive response will include confirmation that the eligibility criteria have been met and will request a formal detailed submission based on the requirements outlined below. In this response, VDOT will inform the Locality as to who will be on the Certification Evaluation Panel and therefore to whom they should submit their detailed submissions. If the eligibility requirements have not been met the reasons will be listed in VDOT's response.

### **5.5.3 Certification Submission Requirements**

For a Locality to achieve certification status, VDOT needs to be confident that the Locality:

1. has appropriate program delivery systems in place;
2. has appropriate project delivery processes in place;
3. has an organization structure in place to support program and project delivery; and
4. has experience in program and project delivery.

VDOT will evaluate the above and approve or deny certification based on the detailed submission document from the Locality. In this document, the Locality is required to address program and project processes and explain how they coordinate within their own organization to meet federal requirements. In addition the Locality is required to describe its experience in these specific areas.

To guide the Locality in the development of the detailed submission and to standardize evaluations, the Locality should respond to the questions below. The Locality must submit their narrative no more than 90 days after receiving confirmation of eligibility. If this period expires, the Locality may need to re-submit their Letter of Intent for a new eligibility review.

In the questions below, program and project delivery have been split into various sub-headings that match the minimum federal requirements.

Sub-headings for program management ([Section 5.5.3.1](#)) are addressed first as these apply to all projects that receive federal funding through VDOT. VDOT needs to have information on these functions to have confidence in the Locality's performance without needing to continually check each aspect in detail.

Sub-headings for project delivery ([Section 5.5.3.2](#)) relate to the stages of project development and construction that still require VDOT approval. VDOT will continue to

be involved at these stages as they are required to do so by federal regulations; however a Certified Locality will be able to work towards each approval without additional oversight or detailed interim checks. In order to be comfortable with this streamlined process, VDOT needs to know how the Locality will carry out the steps needed to meet each approval point.

In answering the questions below, the Locality may use a format of their choosing. If a Locality already has a project implementation plan or other form of process manual it may reference that in its answers and append the appropriate sections.

#### **5.5.3.1 Program Management Requirements**

The Locality is required to demonstrate that it has systems in place to support project development and construction, and that it can carry out associated roles and responsibilities required by federal regulations. These are defined as program management systems and roles. Therefore each request shall address the following in their description of the systems in place:

1. What processes (documentation, systems, and controls) are in place to ensure successful program delivery?
2. How does your organizational structure support/ ensure success?
3. What combinations of in-house/out-sourced resources are to be utilized to achieve program delivery?
4. What experience demonstrates the Locality's ability to deliver Federal programs?
5. How will the Municipality ensure good communication with the VDOT District regarding project development and delivery? (i.e. schedules, estimates, obligation of federal funds)

The systems or programs that the Locality is required to describe include, but are not limited to:

1. Fiscal, audit and budget systems
  - Federal-Aid payment requirements
  - Project documentation
  - Audit requirements according to OMB Circular A-133 (CAFR)

2. Civil Rights program
  - DBE Program Plan
  - DBE goals (establishing and attaining)
  - DBE requirements in contracts
3. Internal QA/QC processes
  - Management of external consultant/resources
  - Design quality control plan
  - Constructability and bidability review
  - Construction quality control requirements
  - Construction quality assurance program (including independent materials testing where required)
4. Public outreach program
  - Outreach plan
  - Public involvement at appropriate stages
5. Consultant procurement process
  - Virginia Public Procurement Act/Brooks Act
  - Ensuring fairness and transparency
6. Project controls for cost and schedule
  - Baseline schedule preparation
  - Engineering, construction, administration and project management cost estimating and budget preparation
  - Project controls methodology & systems

The program management roles and responsibilities are also shown in a table in Appendix O.

### **5.5.3.2 Project Delivery Requirements**

VDOT can only be assured that federal requirements will be met, and be able to award certification, if it is confident that the Locality has documented delivery processes in place to meet the requirements. The project delivery flow chart in Appendix N is presented as a guide to demonstrate typical project flow. However, not all steps are needed for all projects, and the steps are not necessarily sequential. Emphasis should be placed on processes that are federally required and that require VDOT interaction or approval whether a Locality is certified or not. The boxes highlighted in red are key points requiring VDOT/ FHWA coordination/ approval and are to be addressed in the certification submission as described below. Additional information on the information required for each project delivery touch point can be found in VDOT's LAP Manual.

To become certified, each Locality shall address their internal knowledge of the requirements, processes in place, their internal and /or external resource utilization and experiences for each key point during project development. Below are the key points and suggested topics for each.

1. Preliminary Engineering Authorization
  - Local Council Approval
  - Meeting Federal Strategy Requirements
2. NEPA & Permitting
  - Preparation of NEPA documentation and associated permits including:
    - Coordination with appropriate resource agencies
    - Development of environmental document
    - Federal permits including Virginia State required permits
    - Final environmental approvals
    - Environmental re-evaluations
3. Right-of-Way
  - Preparation of R/W and utility plans including:
    - R/W total parcel acquisition plans
    - R/W special negotiations identification
    - R/W and Utilities agreement and authorization
    - Meeting Federal Strategy Requirements
4. Sole Source or Proprietary Procurement
  - Sole source justification
5. Construction Authorization
  - Bridge/structures special details
  - AASHTO design standards
  - Value Engineering
  - Design exceptions, documentation and justification
  - Final PS&E and contract documents preparation
  - Meeting Federal Strategy Requirements
6. Award of Construction Contract
  - Project advertisement
  - Contract award and package
  - Contractor Value Engineering review
  - Administration of construction contracts including project controls



## 7. Project Final Inspection and Acceptance

- Acceptance procedures
- Report of expenditures

The project delivery roles and responsibilities are also shown in a table in Appendix P.

The Locality may refer to VDOT processes (including the LAP Manual) if these are adopted for project delivery. If VDOT processes are used, the Locality is required to state how they use them and what modifications are applied.

### **5.5.3.3 Organization Chart**

An organization chart is required to assure VDOT that qualified staff are either employed or retained to demonstrate knowledge of the processes requirements and to implement the delivery processes and use the delivery systems. The organization chart must show the “chain of command” with lines identifying the participants who are responsible for major functions to be performed and their reporting relationships showing key roles and interaction between roles. The Locality also needs to clearly identify responsibility for interaction with VDOT.

The Locality is also required to submit a narrative describing the functional relationships among participants for the organizational chart. The Locality must indicate whether positions are filled in-house or outsourced. There should be alignment between the processes and the organization chart.

Note that VDOT does not require all roles to be in one department. The Locality should explain how it manages its own processes, whether that involves links to other departments for certain functions (e.g. payment) or whether it is all in one department. Lines of authority need to be clear and the Locality needs to assure VDOT that those in responsible charge have internal support for processes that have to be carried out to meet Federal requirements.

### **5.5.3.4 Experience**

When addressing experience the municipality will demonstrate that it has previously delivered projects with Federal funding. The size or type of project does not matter because certification will apply to all sizes and types of project, i.e. there will not be tiered certification. If a Locality has not delivered one entire project all the way through but believes it can demonstrate its experience via multiple projects, it may do so. Experience gained prior to participation in UCI may be included if it clearly is relevant to the program and project delivery headings above. The Locality submits their narrative directly to LAD.

#### **5.5.4 Certification Evaluation**

Evaluation will be carried out by a VDOT Evaluation Panel. This panel will include the Local Assistance Division Director (or designate), the Home District Administrator (or designee) and an Independent District Administrator (or designee). The Home District is the District in which the Locality is situated. The Independent District is any other District in the Commonwealth. A representative from the FHWA will be invited to participate as a non-voting member.

Evaluation will focus on the program management requirements, project delivery processes, organizational structure, and experience. The panel members will independently evaluate the Locality's entire submission but focus on the areas described below.

1. The Local Assistance Division (LAD) Director will focus on policy and programmatic issues. LAD will review the program management processes presented by the Locality and evaluate whether they fit with the current UCI program and with the aims and objectives of streamlining. From a policy perspective, LAD will evaluate whether all federal requirements will be satisfied by the program management processes. LAD will also bring experience and knowledge of the Locality's key staff and use that to contribute to the evaluation of organizational structure. LAD will guide the evaluation process.
2. The Home District Administrator (or designee) will focus on three areas: project delivery processes; experience; and provide an overall view of information presented, including organizational structure. The Home DA will use their experience of working with the Locality to evaluate the processes put forward and the extent to which they have been carried out successfully. Home District staff may be consulted for feedback on technical aspects of evaluation and past performance.
3. The Independent District Administrator (or designee) will provide a third view of overall narrative and policy issues presented in the submission. Independence promotes objectivity when compared to the evaluations by the other panel members.

A simple evaluation result will be deployed allowing each panel member to determine that each component is either Demonstrated or Non Demonstrated. These results will be applied by each panel member to each of the six program management components and each of the seven project delivery components. Comments must be provided on any area identified as Non Demonstrated. Organizational structure and experience are not separate evaluations as they apply to each of the 13 components.

Local Assistance Division will summarize the panel's comments on the Locality's submission. Feedback will be provided to the Locality in written form. This phase will be the Intermediate Review and will not confirm that Certification has been awarded or not.

The feedback will list the components that were evaluated as Not Demonstrated and ask the Locality to address these areas in a follow up interview presentation. The Locality will have an opportunity to revise its narrative and prepare for the interview, which will be held in a Home District location. New information that addresses Non Demonstrated areas must be resubmitted in narrative form at the interview.

The Locality is required to achieve a Demonstrated result in all 13 component areas in order to achieve certification.

Following the interview, the panel will reconvene and reach a consensus determination on whether the non demonstrated areas have been addressed or not. The LAD Director will provide the panel's recommendation to the VDOT Chief Engineer who will then make the final decision. The result will be communicated to the Locality in written form.

If the Locality is not approved for Certification, VDOT will provide detailed feedback for improvement allowing the Locality to resubmit its submission.

An Agreement and a formal Certificate will be signed by the Locality and VDOT if the Locality is successful in achieving Certification. The Locality may begin the transition to Certified status immediately however ongoing coordination with LAD will be required.

#### **5.5.5 Certification Evaluation Timeline**

The timeline described below relates to the entire application and evaluation process. Please refer to Appendix Q for a diagrammatic summary.

1. A Locality that believes it is eligible for certification must initiate the process by submitting a Letter of Intent to the LAD Director.
2. Within 30 days VDOT will advise the Locality in writing whether or not they have successfully met the eligibility criteria. If successful, VDOT will respond with confirmation that the eligibility criteria has been met and ask for a formal detailed submission based upon the requirements detailed in Section 3. The Locality will also be informed of the members of the Certification Evaluation Panel.
3. The Locality will then have up to 90 days to submit its application to the Evaluation Panel. As soon as the submission is received, VDOT will arrange a tentative date for the evaluation presentation/ interviews, which should be held approximately 90 days from the submission date.

4. The Evaluation Panel will complete its review of the submission over a 60 day period. At the end of the 60 day period, the panel will identify any non demonstrated areas and LAD will provide summary comments to the Locality.
5. The Locality's interview/presentation to the panel shall be held 30 days after VDOT has provided the Locality its summary comments. The Evaluation Panel will discuss the application after the interview and document its final recommendation
6. The LAD Director will schedule a briefing with the VDOT Chief Engineer over the next 30 days after which he or she will inform the Locality of the result of their application.

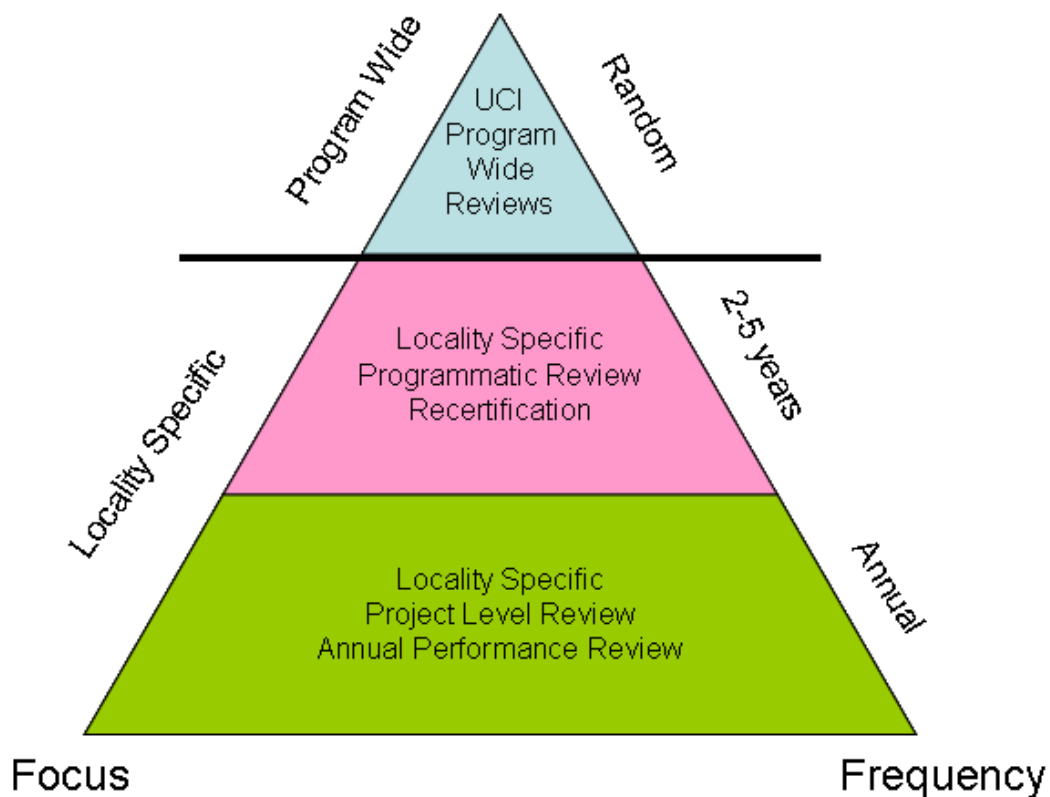
## **5.5.6 Certification Compliance**

### **5.5.6.1 Introduction**

Once a Locality has been certified it is important that performance is monitored and improved. This is achieved through a compliance assessment regime as described below. Compliance is an important component of the Certification process to ensure that FHWA and VDOT requirements are continually met and that the Locality is given necessary feedback to improve. The Local Assistance Division is responsible for executing the compliance program, with support from the Districts and Central Office policy divisions.

### **5.5.6.2 Project and Program Reviews**

The certification program includes three levels of review as shown on the diagram below:



#### 5.5.6.2.1 Project Level Reviews

The first level of review is called the Project Level Review performed on an annual basis. This is comprised of reviewing specific projects. Although this review does not directly relate to re-certification it is important for performance improvement purposes and will provide VDOT with information that may be included in the re-certification review.

The number of projects selected for annual review will be dependent upon the number of federally funded projects being carried out under the program in the relevant Locality, with a minimum number of one, and a maximum of three projects being reviewed.

The projects selected for compliance review will provide a representative sample from the Locality's various fund sources utilizing federal and state funds and identified in the SYIP and/or Year End Report. The review will consider the following but will not be limited to:

1. previous review findings;
2. complexity/risk;
3. projects underway; and,

#### 4. phase completion.

The projects shall be selected by LAD with input from the District staff responsible for Urban Programs. Focus for the review will be on activities that have occurred following certification. The intended schedule for compliance reviews is outlined below:

Timeframe	Event	Details
August	Identify pool of projects	Projects chosen from SYIP and/ or Year End Report
September	Project review team established	Review visits are scheduled
October-December	Review process	~ Conduct project reviews ~ Summarize findings (compliance/noncompliance) ~ Send summary to Locality
January – March	Correction/resolution	90 days to provide correction action plan and/or dispute deficiencies if necessary
April – May	LAD review	LAD review of response and coordination of further corrective action (as needed)

The schedule above may be modified at the discretion of the LAD Director. The actual timeframe will depend to some extent on the number of projects reviewed, the complexity and risk involved in those projects and the number/significance of Locality's corrective actions.

##### **5.5.6.2.2 Re-Certification**

A re-certification review will be conducted by LAD and specified compliance team members two (2) years after the Locality is initially certified. This review will be focused on programmatic responsibilities to check that all key areas are being delivered in accordance with accepted processes. Any changes in the Locality from the original application must be brought to the attention of LAD before the re-certification process begins. The review will also include an evaluation of the annual performance (project-level) reviews.

Assuming continual program success and compliance, subsequent re-certification reviews will take place every five ( 5) years thereafter.

##### **5.5.6.2.3 Program Wide Reviews**

Program wide reviews will be conducted periodically to ensure that the whole program is on track. This level of review may include random spot checks during various stages

of project development and/or areas identified with consultation with the FHWA and Municipalities.

Each year, FHWA and VDOT will evaluate the status of the entire local administration program as part of an annual risk assessment. This discussion will include consideration of the timing and scope of Program Wide Reviews for the UCI Certification Program.

#### **5.5.6.3 Compliance Assessment Team**

LAD will coordinate the reviews and identify the appropriate team members based on the type of review being done and disciplines involved. Typical team members for reviews are identified below:

1. The LAD Compliance Coordinator will be responsible for initiation, planning, coordination, implementation and provision of feedback related to each compliance review. The Coordinator will facilitate the selection of the projects to be reviewed and the review team. The coordinator will also participate in the review itself.
2. The District Coordinator/Staff responsible for Urban Programs will be responsible for technical aspects of compliance with program and project requirements. This member will also review the efficiency of the Locality in areas such as the timeliness of submissions to VDOT.
3. Central Office Policy Division Representatives will be responsible for supporting the review of their technical areas. In most cases, these review team members are members of the Local Partnership Team.

#### **5.5.6.4 Findings and Deficiencies**

Three levels of deficiency are described below. Each requires a different form of correction or resolution and, when identified by VDOT, the Locality will be required to provide a correction action plan. The LAD compliance team may need to further investigate preliminary findings to determine if the infraction(s) may jeopardize the Locality's certification.

1. A programmatic deficiency is defined as a finding that a Locality's programmatic approach, practices, or procedures do not sufficiently demonstrate their ability to ensure compliance with federal or state requirements or their own stated policies and procedures. Continued certification may be conditioned, or certification may

be removed until the deficiencies are corrected. Examples of programmatic deficiencies include: failure to demonstrate sufficient understanding of federal-aid processes, failure to maintain updated processes/procedures, failure to implement Civil Rights policies, failure to audit or budget correctly, failure to carry out adequate QA/QC, and significant deviation from organizational structure.

2. A project deficiency is defined as an error or omission that violates federal or state regulations, or mandated policies. If uncorrected, they may jeopardize federal or state participation in all or a portion of the project. Examples of project deficiencies include: failure to require specific Civil Rights information from contractors, failure to meet agreed-upon materials acceptance testing procedures, and failure to submit adequate information for approvals. This level of deficiency may result in loss of all or part of the federal and/or state funding for the project.
3. An “unrecoverable” project deficiency is one that has proceeded beyond the ability to correct and is of such magnitude as to create doubt that the policies and objectives of Title 23 of the USC (or other applicable federal codes) will be accomplished by the project. Examples of unrecoverable project deficiencies include: failure to meet NEPA stakeholder involvement requirements, violations of Brooks Act requirements when hiring of professional consultants, failure to obtain a design exception prior to construction, and award of a contract to a suspended or debarred contractor. This level of deficiency may result in the withdrawal of all or a portion of the federal and/or state funds from the project.

#### **5.5.6.5 Resolution of Findings**

##### **5.5.6.5.1 Introduction**

During the compliance review process it is possible that differences of opinion will arise when non compliance findings are identified and when closing out corrective actions. The following resolution process is intended as a guide to the action that a Locality can take should this occur. The goal is to for issues to be resolved constructively and at the lowest possible level.

##### **5.5.6.5.2 Resolution Process**

The first level of discussion should be between the compliance review team and the Locality. The Locality must fully describe the project issues where there is a disagreement and include the following information:

- A detailed statement of Locality’s position on the issue.



- Any backup for the position statement, including maps, plans, invoices, agreement(s) (draft and/or executed), pictures, and other material needed to give a full picture of the disputed issue.

Upon receiving the request the Compliance Coordinator shall prepare a response in the form of a memorandum to include the following:

- A detailed discussion of the items that are in dispute with references to sections in the manuals and policy memos that support VDOT's position.
- An overview of the issue, including any additional maps, plans, invoices, agreement(s) (draft and/or executed), pictures, and other material needed to give a full picture of the disputed issue that was not included in the Locality's request.

In preparing the above information, the Compliance Coordinator will consult the other members of the compliance review team including the Staff responsible for Urban Programs and Central Office advisor(s). The District Administrator or delegate may also be included.

The above exchange of information is to be provided in a timely manner so as not to impede the ongoing delivery of projects by the Locality. The Compliance Coordinator will invite the Locality to a meeting to discuss its response memorandum.

Should an agreement not be achieved, the matter may be escalated to the LAD Director for resolution. The information described above will be made available to the LAD Director along with the minutes of relevant meetings held between the Locality and the compliance review team. The LAD Director's decision will be final.

If the issues identified are such that continued certification may not be possible, the LAD Director shall brief the VDOT Chief Engineer. The Chief Engineer will make the final decision regarding certification of the locality. The Chief Engineer's decision will be final.

# APPENDICIES

## **Appendix A - Legislation**

<b>Legislation Alphabetically</b>	
<b>Code Section</b>	<b>Legislation</b>
<a href="#"><u>33.1-221</u></a>	ACCESS ROADS – INDUSTRIAL AND AIRPORT
<a href="#"><u>33.1-223</u></a>	ACCESS ROADS – RECREATIONAL AND HISTORICAL
<a href="#"><u>33.1-12.1</u></a>	AGREEMENTS BETWEEN COMMISSIONER AND MUNICIPALITIES
<a href="#"><u>15.2-2030</u></a>	AIR SPACE OVER PUBLIC STREETS
<a href="#"><u>33.1-23.1A,B,B2</u></a>	ALLOCATION OF FUNDS AMONG HIGHWAY SYSTEMS
<a href="#"><u>33.1-23.2</u></a>	ALLOCATION OF FUNDS FOR PRIMARY AND INTERSTATE MATCH
<a href="#"><u>33.1-23.3</u></a>	ALLOCATION OF FUNDS FOR URBAN HIGHWAYS
<a href="#"><u>46.2-1110</u></a>	BRIDGE CLEARANCES
<a href="#"><u>33.1-39</u></a>	BYPASS
<a href="#"><u>33.1-288</u></a>	CHESAPEAKE BAY BRIDGE TUNNEL PAYMENTS
<a href="#"><u>33.1-41.1</u></a>	CITY AND STREET PAYMENTS
<a href="#"><u>33.1-214</u></a>	CITY CONTRIBUTIONS TOWARD CONSTRUCTION OUTSIDE CITY
<a href="#"><u>2.2-4318</u></a>	CONTRACT NEGOTIATION WITH LOW BIDDER
<a href="#"><u>2.2-4200</u></a> to <a href="#"><u>2.2-4201</u></a>	CONTRACTOR NON-DISCRIMINATION
<a href="#"><u>15.2-2013</u></a> to <a href="#"><u>15.2-2029</u></a>	CONTROL OF STREETS BY MUNICIPALITY
<a href="#"><u>46.2-808</u></a>	CONTROLLED ACCESS ROADS – PROHIBIT CERTAIN USES
<a href="#"><u>33.1-223.2:4</u></a>	DRAINAGE EASEMENTS
<a href="#"><u>33.1-223.2:6</u></a>	FUNDING OF PEDESTRIAN/BIKEWAYS
<a href="#"><u>33.1-12</u></a>	GENERAL DUTIES OF BOARD
<a href="#"><u>15.2-2021</u></a>	HANDICAP RAMPS
<a href="#"><u>33.1-42</u></a>	INCORPORATION INTO STATE HIGHWAY SYSTEM STREETS IN CITIES AND TOWNS
<a href="#"><u>33.1-91</u></a>	LAND ACQUISITION OF ENTIRE TRACTS OF LAND
<a href="#"><u>33.1-47.1</u></a>	LANDSCAPE STUDIES
<a href="#"><u>33.1-58</u></a>	LIMITED ACCESS HIGHWAYS - BOARD AUTHORITY
<a href="#"><u>33.1-57</u></a>	LIMITED HIGHWAY ACCESS
<a href="#"><u>33.1-23.02</u></a>	MAINTENANCE AND ASSET MANAGEMENT DEFINITION
<a href="#"><u>33.1-249</u></a>	MAINTENANCE OF CITY LINE BRIDGES
<a href="#"><u>33.1-46.1</u></a>	MASS TRANSIT AID
<a href="#"><u>33.1-44</u></a>	MATCHING HIGHWAY FUNDS
<a href="#"><u>33.1-61</u></a>	PARALLEL SERVICE ROADS
<a href="#"><u>46.2-1149</u></a>	PERMITS – OVERSIZED/OVERWEIGHT VEHICLES
<a href="#"><u>46.2-1303</u></a>	PERMITS – WITHIN RIGHT-OF-WAY
<a href="#"><u>56-405</u></a>	R/R GRADE CROSSING - MAINTENANCE
<a href="#"><u>33.1-56</u></a>	RELOCATION, REMOVAL OF UTILITIES
<a href="#"><u>15.2-2003</u></a>	RIGHT-OF-WAY – ACQUISITION OUTSIDE CORPORATE LIMITS
<a href="#"><u>33.1-89</u></a>	RIGHT-OF-WAY – ACQUISITION WITHIN MUNICIPALITY
<a href="#"><u>33.1-90</u></a>	RIGHT-OF-WAY – ADVANCED ACQUISITION
<a href="#"><u>33.1-79</u></a> & <a href="#"><u>82</u></a>	SECONDARY STREET ADDITION REQUIREMENTS IN TOWNS
<a href="#"><u>15.2-3530</u></a>	SERVICE CONTINUATION AFTER ANNEXATION
<a href="#"><u>33.1-46</u></a>	SIGNS/PAVEMENT MARKINGS APPROVED BY THE COMMISSIONER
<a href="#"><u>33.1-25</u></a> & <a href="#"><u>37</u></a>	STATE HIGHWAY SYSTEMS
<a href="#"><u>1-251</u></a>	SYSTEMS OF THE STATE HIGHWAYS

<a href="#">33.1-43.2</a>	TOWNS WITH RESTRICTED DEVELOPABLE LAND
<a href="#">46.2-1300</a>	TRAFFIC CONTROL
<a href="#">33.1-47</a>	TRAFFIC LIGHTS AND MARKINGS ON PRIMARY ROADS
<a href="#">33.1-224</a>	TRANSFER OF STREETS FROM SECONDARY SYSTEM TO URBAN
<a href="#">46.2-1304</a>	TRUCK TRAFFIC REGULATIONS – LOCAL AUTHORITIES
<a href="#">46.2-809</a>	TRUCK TRAFFIC REGULATIONS – SECONDARY HIGHWAYS
<a href="#">15.2-2017</a>	UTILITIES – OCCUPY RIGHT-OF-WAY WITH CONSENT
<a href="#">33.1 - 190.1</a>	VALUE ENGINEERING REQUIREMENT
<a href="#">15.2-2114</a>	WAIVER OF STORMWATER CHARGES FOR PUBLIC ROADS

<b>Legislation By Code Section</b>	
<b>Code Section</b>	<b>Legislation</b>
<a href="#">1-251</a>	SYSTEMS OF THE STATE HIGHWAYS
<a href="#">2.2-4200</a> to <a href="#">2.2-4201</a>	CONTRACTOR NON-DISCRIMINATION
<a href="#">2.2-4318</a>	CONTRACT NEGOTIATION WITH LOW BIDDER
<a href="#">15.2-2003</a>	RIGHT-OF-WAY – ACQUISITION OUTSIDE CORPORATE LIMITS
<a href="#">15.2-2013</a> to <a href="#">15.2-2029</a>	CONTROL OF STREETS BY MUNICIPALITY
<a href="#">15.2-2017</a>	UTILITIES – OCCUPY RIGHT-OF-WAY WITH CONSENT
<a href="#">15.2-2021</a>	HANDICAP RAMPS
<a href="#">15.2-2030</a>	AIR SPACE OVER PUBLIC STREETS
<a href="#">15.2-2114</a>	WAIVER OF STORMWATER CHARGES FOR PUBLIC ROADS
<a href="#">15.2-3530</a>	SERVICE CONTINUATION AFTER ANNEXATION
<a href="#">33.1-12</a>	GENERAL DUTIES OF BOARD
<a href="#">33.1-12.1</a>	AGREEMENTS BETWEEN COMMISSIONER AND MUNICIPALITIES
<a href="#">33.1-18</a>	LOCATION OF ROUTES
<a href="#">33.1-23.02</a>	MAINTENANCE AND ASSET MANAGEMENT DEFINITION
<a href="#">33.1-23.1A,B,B2</a>	ALLOCATION OF FUNDS AMONG HIGHWAY SYSTEMS
<a href="#">33.1-23.2</a>	ALLOCATION OF FUNDS FOR PRIMARY AND INTERSTATE MATCH
<a href="#">33.1-23.3</a>	ALLOCATION OF FUNDS FOR URBAN HIGHWAYS
<a href="#">33.1-25</a> & <a href="#">37</a>	STATE HIGHWAY SYSTEMS
<a href="#">33.1-39</a>	BYPASS
<a href="#">33.1-41.1</a>	CITY AND TOWN STREET PAYMENTS
<a href="#">33.1-42</a>	INCORPORATION INTO STATE HIGHWAY SYSTEM STREETS IN CITIES AND TOWNS
<a href="#">33.1-43.2</a>	TOWNS WITH RESTRICTED DEVELOPABLE LAND
<a href="#">33.1-44</a>	MATCHING HIGHWAY FUNDS
<a href="#">33.1-46</a>	SIGNS/PAVEMENT MARKINGS APPROVED BY THE COMMISSIONER
<a href="#">33.1-46.1</a>	MASS TRANSIT AID
<a href="#">33.1-47</a>	TRAFFIC LIGHTS AND MARKINGS ON PRIMARY ROADS
<a href="#">33.1-47.1</a>	LANDSCAPE STUDIES
<a href="#">33.1-57</a>	STREETS AND ROADS OCCUPIED BY THE INTERSTATE SYSTEM
<a href="#">33.1-58</a>	LIMITED ACCESS HIGHWAYS - BOARD AUTHORITY
<a href="#">33.1-61</a>	PARALLEL SERVICE ROADS
<a href="#">33.1-79</a> & <a href="#">82</a>	SECONDARY STREET ADDITION REQUIREMENTS IN TOWNS
<a href="#">33.1-89</a>	RIGHT-OF-WAY – ACQUISITION WITHIN MUNICIPALITY
<a href="#">33.1-90</a>	RIGHT-OF-WAY – ADVANCED ACQUISITION
<a href="#">33.1-91</a>	LAND ACQUISITION OF ENTIRE TRACTS OF LAND

<a href="#"><u>33.1 - 190.1</u></a>	VALUE ENGINEERING REQUIREMENT
<a href="#"><u>33.1-214</u></a>	CITY CONTRIBUTIONS TOWARD CONSTRUCTION OUTSIDE CITY
<a href="#"><u>33.1-221</u></a>	ACCESS ROADS – INDUSTRIAL AND AIRPORT
<a href="#"><u>33.1-223</u></a>	ACCESS ROADS – RECREATIONAL AND HISTORICAL
<a href="#"><u>33.1-223.2:4</u></a>	DRAINAGE EASEMENTS
<a href="#"><u>33.1-223.2:6</u></a>	FUNDING OF PEDESTRIAN/BIKEWAYS
<a href="#"><u>33.1-224</u></a>	TRANSFER OF STREETS FROM SECONDARY SYSTEM TO URBAN
<a href="#"><u>33.1-249</u></a>	MAINTENANCE OF CITY LINE BRIDGES
<a href="#"><u>33.1-288</u></a>	CHESAPEAKE BAY BRIDGE TUNNEL PAYMENTS
<a href="#"><u>46.2-808</u></a>	ACCESS ROADS – PROHIBIT CERTAIN USES
<a href="#"><u>46.2-809</u></a>	TRUCK TRAFFIC REGULATIONS
<a href="#"><u>46.2-1110</u></a>	BRIDGE CLEARANCES
<a href="#"><u>46.2-1149</u></a>	PERMITS – OVERSIZED/OVERWEIGHT VEHICLES
<a href="#"><u>46.2-1300</u></a>	TRAFFIC CONTROL
<a href="#"><u>46.2-1303</u></a>	PERMITS – WITHIN RIGHT-OF-WAY
<a href="#"><u>46.2-1304</u></a>	TRUCK TRAFFIC REGULATIONS – LOCAL AUTHORITIES
<a href="#"><u>56-405</u></a>	R/R GRADE CROSSING - MAINTENANCE

## **Appendix B – Functional Classification**

### **Policy for Functional Classification of Urban Highways**

A State Functional Classification System has been developed for urban roads and streets in cities and towns eligible to receive street payments under Section 33.1-41.1 of the *Code of Virginia*. The State System consists of two categories: Arterial (Principal Arterial and Minor Arterial) and Collector/Local.

The Transportation and Mobility Planning Division (TMPD) of the Virginia Department of Transportation will assign the appropriate Functional Classification to urban roadways and streets. TMPD will generally follow the Federal Highway Administration guidelines as presented in the most recent publication of Highway Functional Classification, Concepts, Criteria, and Procedures. The state system will parallel the federal system as much as possible with the following exceptions:

- a. An existing year will be used rather than a future year.
- b. Non-existing highways will not be considered in the state system.
- c. Proposed new location highways that are included in the federal system will be removed. An existing facility (ies) that is to be replaced by the proposed new highway and/or primarily serves the traffic that will use the new facility may have its state classification changed to correspond to the federal classification for the new facility. The classifications will revert back to the original federal classifications when the new location facilities are opened to traffic.
- d. The percentage guidelines in the above referenced FHWA publication are statewide. Each municipality may not fall within the percentages for a particular functional classification, but we need to strive for equality in each area.
- e. Those facilities that qualify as major collector in the federal system in areas of under 5,000 population will be functionally classified in the state system as an Arterial.

The Local Assistance Division will be responsible for obtaining the Commonwealth Transportation Board's approval for any change in functional classification centerline mileage which effects the street payments. All functional classification changes will be approved as part of the CTB's annual action on the Urban Maintenance Program.

## Highway Functional Classification - Federal System/State System

Area Size	Federal Classification	State Classification
Urbanized (Population greater than 50,000)	1. Principal Arterial	Arterial (Principal)
	2. Minor Arterial	Arterial (Minor)
	3. Major Collector	Arterial (Minor)
	4. Minor Collector	Collector
	5. Local	Local
Urban (Population 5,000 – 50,000)	1. Principal Arterial	Arterial (Principal)
	2. Minor Arterial	Arterial (Minor)
	1. Major Collector	Arterial (Minor)
	2. Minor Collector	Collector
	5. Local	Local
Rural (Population less than 5,000)	1. Principal Arterial	Arterial (Principal)
	2. Minor Arterial	Arterial (Minor)
	3. Major Collector	Arterial (Minor)
	4. Minor Collector	Collector
	5. Local	Local

New Federal Functional Class	Old Urban Functional Class	Old Rural Functional Class
<b>Interstate</b>	Urban Interstate	Rural Interstate
<b>Other Freeways and Expressways</b>	Urban Other Freeways and Expressways	
<b>Other Principal Arterial</b>	Urban Other Principal Arterials	Rural Other Principal Arterials
<b>Minor Arterial</b>	Urban Minor Arterial	Rural Minor Arterial
<b>Major Collector</b>	Urban Collector	Rural Major Collector
<b>Minor Collector</b>		Rural Minor Collector
<b>Local</b>	Urban Local	Rural Local

## **Appendix C – List of Maintenance Activities**

Section 33.1-23.02 of the *Code of Virginia* defines the term "maintenance" as follows: "For the purpose of this title, unless otherwise explicitly provided, the term 'maintenance' shall include maintenance, maintenance replacement, and any other categories of maintenance which may be designated by the Commissioner".

Maintenance activities pertain to preservation of each type of roadway structure and facility as near as possible in its condition as constructed.

Maintenance replacement activities pertain to the function of restoring each type of roadway structure and facility as near as possible to its condition as constructed.

In general, replacements-in-kind are acceptable charges; betterments are not acceptable. However, betterment or improvement work may be accomplished along with maintenance work provided proper credits or deductions are made and documented in the accounting and recording process. In some cases, certain maintenance related capital expenditures are allowed, however, these must be reviewed and approved by the Local Assistance Division prior to any expenditure.

A list of authorized maintenance and maintenance replacement activities is follows in this appendix. In addition, the following items of acceptable and unacceptable allowable costs are set forth:

Acceptable items:

1. Costs to implement and continue these procedures.
2. Payroll additives and applicable overhead charges.
3. Expenditures for training in maintenance or bridge inspection work.
4. Bridge inspection costs for bridges on all public streets.
5. Replacement, maintenance and energy costs for traffic signals.
6. Maintenance and energy costs for roadway lighting.
7. Cost to maintain features within right-of-way such as sidewalks, bikeways etc.
8. Use of municipal prison labor as long as there is a work order system sufficient to document the work is an eligible activity on an eligible street.
9. Operation of intelligent and other traffic control and surveillance systems to monitor and control traffic.
10. Traffic calming devices which meets VDOT standards.
11. Storm drainage replacement for undersized culverts.
12. Minor pavement widening where tractor trailers run off the pavement or intersection radii need to be increased to accommodate turning movements.
13. Reconstruction or replacement of roadbeds or sidewalks where deteriorated beyond repair.
14. Plant mix overlays for streets previously only surface treated.
15. Higher grade materials, such as traffic signs and paint, than originally used.
16. High intensity pavement marking devices on roadways.
17. Traffic control devices upgrading and replacement.



18. Barriers or guardrails to protect traffic control cabinets when the barrier or guardrail is immediately adjacent to the cabinet.

Unacceptable items:

1. Parking meter costs.
2. All costs on ineligible streets, except for bridge inspection costs.
3. Follow-up repairs to utility cuts.
4. All non-highway related items.
5. Municipality's share (contribution) on construction projects.

### **Authorized Maintenance and Maintenance Replacement Activities For Eligible Municipal Streets**

- I. **MAINTENANCE ACTIVITIES** – preserves the roadway structure and/or facility as near as possible in its condition as constructed.

<b><u>ACTIVITIES</u></b>	<b><u>DESCRIPTION</u></b>
<b><u>Engineering &amp; Administration</u></b>	
Engineering	Salaries, expenses and equipment rentals for field engineering, inspection, and materials testing
Expendable Equipment	Purchase and repair of small tools and non-rental equipment; rental charges on inactive equipment
Administrative Overhead	Salary & expenses of maintenance supervisory personnel building overhead

<b><u>Surface Repair - Bituminous</u></b>	
Spot Sealing or Skin Patching	Patching with liquid asphalt
Premix Patching	Patching with commercial or shop prepared mixes
Spot Reconditioning	All surface and base repairs for reshaping and reconditioning sections of roadway less than 1,000 feet
Seal Cracks on Bituminous Surfaces	With liquid asphalt
Repairing Bleeding Pavements	General Maintenance
Slurry Patching	With slurry machine
Heavy Mechanized Patching	Application of hot or cold bituminous mixes with motor graders and paving machines
Other Bituminous Surface Maintenance	Planning and smoothing bituminous surface emergency patching with stone dust or other non bituminous materials.

<b><u>Surface Repair - Concrete</u></b>	
Patching with Concrete	Holes and blow-ups including removal of existing concrete
Patch with Other Material	With bituminous or epoxy material
Grouting, Undersealing, & Pavement Jacking	Pumping bituminous material beneath pavement, filling voids by grouting, and pavement jacking

<b><u>Shoulder Maintenance</u></b>	
Non-Hard Surface	Machining and repairing low shoulders
Hard Surfaced Shoulders	Spot sealing, patching holes, sealing joint between shoulder and pavement, repairing low or high shoulders
Other Shoulder Maintenance	Applying dust palliatives to shoulder

<b><u>Ditches and Drainage</u></b>	
Clean and Reshape Ditches by Machine	Where ditch spoil is used on shoulders or loaded and hauled
Hand Cleaning of Ditches	All hand ditch work
Other Drainage Maintenance	Cleaning curb and gutter and drop inlets

<b><u>Road Side</u></b>	
Erosion Repair	To cut slopes, fill slopes, washouts, and the removal of minor slides
Cleaning Right-of-Way	Removing debris on right-of-way
Reseeding, Mulching, Sodding, and Resoiling	Replacing soil, sod, mulch, and reseeding right-of-way
Waysides and Rest Areas	General maintenance of areas to serve traveling public adjacent to eligible street
Bus Shelters	General maintenance
Roadside Structures	Maintenance of sidewalks, retaining walls, rip rap, curb and gutter and guard rails
Fences	Maintenance of right-of-way and access control fences
Street Sweeping	Mechanical cleaning of roadways

<b><u>Vegetation Control</u></b>	
Tractor Mowing and Hand Mowing	Within standards of maintenance
Brush Cutting	Cutting and removal
Spraying Brush, Weeds and Grass	All use of herbicides or soil sterilants

<b><u>Signs and Traffic Control</u></b>	
Signs	Cleaning, repairing, replacing, and resetting signs
Traffic Signals	Replacement, maintenance and energy costs
Railroad Protection Devices	Payments to railroads for maintenance and operation to grade crossing protection

<b><u>Traffic Services and Operations</u></b>	
Traffic Counts	Arterial Roads and Collector/Road Streets
Highway Lighting	Maintenance and energy costs
Operation and Maintenance of Fog Warning System	General maintenance
Maintenance of Impact Attenuators	General maintenance

<b><u>Snow and Ice Control</u></b>	
Deicing Chemicals and Abrasives	
Snow Removal Expendable Equipment	Cost of spreaders, plows, or other snow removal equipment
Snow Fence	Cost of fence, erection and removal

Snow and Ice Control Support	Cleaning and servicing of snow removal equipment, and cleaning and washing bridges after storms
Snow Removal and Ice Control Availability Fee	Paid to hired equipment owners for making their equipment available for snow removal

<b><u>Structures</u></b>	
Bridge Inspection	All structures
Repairing Substructure	Repair and repainting bridge substructure removal of drift and ice flows
Repairing Superstructure	Repair and repainting the bridge superstructure
Repairs to Large Drainage Pipelines	
Repairs to Box Culverts	
Waterproof Bridge Decks	Includes linseed oil or epoxy treatments to bridge decks, wheel guards, and rails
Underwater Substructure Investigations	
Operation of non-toll Bridges	Operational expenses of drawbridges
Purchase of Equipment	Required to accomplish ordinary maintenance activities
Purchase of Materials	Required to accomplish ordinary maintenance activities

**II. MAINTENANCE REPLACEMENT ACTIVITIES** – restore the roadway structure and/or facility as near so possible to its condition as constructed.

<b><u>ACTIVITIES</u></b>	<b><u>DESCRIPTION</u></b>
<b><u>Engineering &amp; Administration</u></b>	
Engineering	Salaries, expenses and equipment rentals for field engineering, inspection, and materials testing
Expendable Equipment	Purchase and repair of small tools and non-rental equipment; rental charges on inactive equipment
Administrative Overhead	Salary and expenses of maintenance supervisory personnel building overhead
Pavement Management Inspection	As required

<b><u>Surface Replacement</u></b>	
Reconditioning Hard-Surfaced Roads	Restoration of base and surface to original condition bituminous resurfacing
Bituminous Retreatments	Applied to existing bituminous surfaces
Portland Cement Concrete Pavement Slab Replacement	Portland cement concrete overlays and grooving

<b><u>Shoulders and Drainage</u></b>	
Bituminous Retreatments	Existing hard-surfaced shoulders
Drainage Structures	Replacement of structures with equivalent dimensions
Extraordinary Cleaning of Major Outfall Ditches and Channels	Street drainage only

<b><u>Roadside</u></b>	
Major Cut and Fill Washouts and Slides	Replacing major cut and fill slopes, removal of major slides
Major Waysides and Rest Areas	Major repairs or replacements of roadsides serving the traveling public adjacent to eligible street
Replacement of Right-of-Way Fences	All replacement
Replacement of Existing Shrubs and Trees	All replacement

<b><u>Signs</u></b>	
Signs	Replacing sign structures, refurbishing major signs
Traffic Signals	Replacing traffic signals and equipment
Pavement Marking	Painting centerlines, edge lines and messages
Reflection Pavement Markers	Replace raised pavement markers

<b><u>Structures</u></b>	
Major Substructure	Major repairs with equivalent dimensions
Major Superstructure	Major repairs with equivalent dimensions

<b><u>Equipment and Materials</u></b>	
Purchase of Equipment	Required to accomplish maintenance replacement activities
Purchase of Materials	Required to accomplish maintenance replacement activities

## **Appendix D – Standards of Maintenance**

(The standards outlined in this section are intended for general guidance. Further details can be found in “VDOT’s Asset Management Best Practices Manual”).

1. **Pavement** - The roadway surfaces shall be maintained as near as practical to the originally constructed, reconstructed, or improved condition. Maintenance performed on roadway surfaces should provide a reasonably smooth and safe traveling surface.

2. **Shoulders and Curb and Gutter** - These should be maintained as near as practical to the originally constructed, reconstructed, or improved condition. They should have a uniform slope that will conduct water away from the pavement and be free of excessive irregularities and drop-offs from the edge of the pavement.

### **3. Roadsides**

- Policy - The roadside shall be maintained in a reasonably safe manner and be aesthetically pleasing to the traveling motorist.
- Vegetation - Vegetation control shall be performed to protect erosion of embankment soils and to provide an unobstructed view of signs and other appropriate roadside features.
- Sidewalk - The sidewalk surfaces shall be maintained as near as practical to the originally constructed, reconstructed, or improved condition. Maintenance performed on sidewalk surfaces should provide a reasonably smooth and safe traveling surface and must comply with current ADA standards and guidance from FHWA..

4. **Drainage** - All drainage facilities shall be maintained to (a) provide safety and protection to the traveling motorist, (b) provide reasonably adequate drainage of the roadway surfaces, shoulders, and any other incidental drainage items, and (c) preserve the structural integrity of the roadway.

5. **Traffic Control and Safety** - All traffic control and safety devices shall be fabricated, erected, and maintained in conformance with the current standards and shall conform to the latest version of the MUTCD. VDOT shall render any decisions regarding exceptions to the standards. In addition to physical maintenance, functional maintenance is required to adjust traffic control devices to current conditions and to remove devices when no longer required.

6. **Snow and Ice Control** - The locality shall provide snow and ice control services when required and commensurate with the needs of all segments of the traveling public and the highway system.

## **7. Structures**

- Bridges, box culverts and pipe culverts that meet the American Association of State Highway and Transportation Officials' (AASHTO) definition of a bridge, generally structures having a clear opening greater than 20 feet and 20 feet or greater in length, shall be inspected in accordance with the National Bridge Inspection Standards. Maintenance shall be performed as needed.
- Bridges, box culverts and pipe culverts that do not meet AASHTO's definition of a bridge should be inspected on a regular basis and maintained as regular drainage (Item above). Also see NBIS definitions at the following link:  
<http://www.fhwa.dot.gov/bridge/nbis/index.cfm>

## **Appendix E – Project Programming Resolution** **(EXAMPLE)**

WHEREAS, in accordance with Virginia Department of Transportation construction allocation procedures, it is necessary that a request by council resolution be made in order that the Department program an urban highway project in the City/Town of \_\_\_\_\_; now

THEREFORE BE IT RESOLVED, that the Council of the City/Town of \_\_\_\_\_, Virginia, requests the Virginia Department of Transportation to establish an urban system highway project for the improvement of \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_, a distance of approximately \_\_\_\_\_. (or describe other type of project; such as bridge, signals, etc.)

BE IT FURTHER RESOLVED, that the Council of the City/Town of \_\_\_\_\_ hereby agrees to pay its share of the total cost for preliminary engineering, right-of-way and construction of this project in accordance with Section 33.1-44 of the *Code of Virginia*, and that, if the City/Town of \_\_\_\_\_ subsequently elects to cancel this project, the City/Town of \_\_\_\_\_ hereby agrees to reimburse the Virginia Department of Transportation for the total amount of the costs expended by the Department through the date the Department is notified of such cancellation.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

City/Town of \_\_\_\_\_, Virginia

ATTEST

\_\_\_\_\_  
Clerk of Council

BY \_\_\_\_\_  
Mayor/Manager



**Appendix F- Project Programming Resolution**  
**(For Towns under 3500 Population)**  
**(EXAMPLE)**

WHEREAS, in accordance with Virginia Department of Transportation construction allocation procedures, it is necessary that a request by council resolution be made in order that the Department program an urban highway project in the Town of \_\_\_\_\_; now

THEREFORE BE IT RESOLVED, that the Council of the Town of \_\_\_\_\_, Virginia, requests the Virginia Department of Transportation to establish a project for the improvement of \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_, a distance of approximately \_\_\_\_\_. (or describe other type of project; such as bridge, signals, etc.)

BE IT FURTHER RESOLVED, that the Council of the Town of \_\_\_\_\_ hereby agrees that, if the Town subsequently elects to cancel this project, the Town hereby agrees to reimburse the Virginia Department of Transportation for the total amount of the costs expended by the Department through the date the Department is notified of such cancellation.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

City/Town of \_\_\_\_\_, Virginia

ATTEST

\_\_\_\_\_  
Clerk of Council

BY \_\_\_\_\_  
Town Manager

## **Appendix G – Urban Project Construction Agreement**

Project Number	UPC	Project/Street name	Local Government

THIS AGREEMENT, made and executed in triplicate as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT" or "VDOT" and the CITY/TOWN OF municipality's name, hereinafter referred to as the "MUNICIPALITY".

WHEREAS, the Commonwealth Transportation Board and MUNICIPALITY have allocated funds for <description of improvement>, Project # \_\_\_\_\_ ; UPC # \_\_\_\_\_, hereinafter referred to as the "Project"; and

WHEREAS, the MUNICIPALITY has requested that the DEPARTMENT design and construct this project, and the DEPARTMENT has agreed to perform such work; and

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

A. The DEPARTMENT shall:

1. Complete the project as identified in this agreement, advancing such work diligently based upon the schedule identified in Appendix A.
2. Perform or have performed for, all preliminary engineering ("PE"), right-of-way acquisition ("Right-of-Way"), construction, contract administration, and inspection services activities for the project as required.
3. Provide the MUNICIPALITY a payment schedule for the municipality's share of estimated project costs for PE and Right-of-Way and for Construction, in accordance with the tabulation provided in Appendix A, and as follows:
  - a) For the estimated MUNICIPALITY share, the estimated costs and payment schedule for PE and Right-of-Way will be determined after project scoping
  - b) For the estimated MUNICIPALITY share of construction costs, prior to the award of the construction contract, Appendix A will be modified to reflect estimated construction costs
4. Remit invoices to the MUNICIPALITY for sums owed by the MUNICIPALITY in accord with the amounts and schedule set forth in Appendix A
5. Upon completion of the project, reconcile MUNICIPALITY payments (based on MUNICIPALITY's estimated share of costs) against actual project costs allocable to the MUNICIPALITY, and reimburse MUNICIPALITY for any overpayments by the MUNICIPALITY or remit an invoice to the MUNICIPALITY for any under payment/amount still owed by the MUNICIPALITY.

B. The MUNICIPALITY shall:

1. Remit payments to the DEPARTMENT, in accordance with the amounts and schedule provided in Appendix A, within 30 days of receipt of an invoice issued by the DEPARTMENT.
  2. After project completion, operate and maintain the Project, or cause it to be operated and maintained, in accord with applicable DEPARTMENT guidance and standards and in a manner satisfactory to the DEPARTMENT or its authorized representatives and make ample provision each year for such operation and maintenance.
  3. After completion of the Project or any part thereof, not permit any reduction in the number of or width of traffic lanes, or any additional median crossovers and enlargement of existing median crossovers, or any alterations to channelization islands, without the prior written approval of the DEPARTMENT.
  4. Erect informational, regulatory and warning signs, curb and pavement or other markings and traffic signals in conformance with the standards shown in the current edition of the Manual on Uniform Traffic Control Devices unless otherwise directed or approved by the DEPARTMENT, in writing.
  5. Not permit additional access points other than those access points designated on the Project plans, without prior written approval of the DEPARTMENT. MUNICIPALITY understands and agrees that Right-of-Way for the Project was acquired, in contemplation of rights of access being restricted to points designated on the Project plans.
- C. Nothing in this Agreement shall obligate the parties hereto to expend or provide any funds in excess of funds agreed upon in this Agreement, which are set forth as estimates in Appendix A, or as shall have been included in an annual or other lawful appropriation. In the event the cost of a Project is anticipated to exceed the allocation shown for such respective Project, both parties agree to cooperate in providing additional funding for the Project or to terminate the Project before its costs exceed the allocated amount, however the DEPARTMENT and the LOCALITY shall not be obligated to provide additional funds beyond those appropriated pursuant to an annual or other lawful appropriation.
- D. Should the project be cancelled due to action or inaction by the MUNICIPALITY, the MUNICIPALITY shall be responsible for reimbursement of all funds in accordance with Section 33.1-44 of the Code. The MUNICIPALITY will also be responsible for any costs associated with claims and liabilities due to the early termination of any construction contract(s) or improvement(s) issued pursuant to this AGREEMENT.

IN WITNESSETH WHEREOF, the parties sign and cause this AGREEMENT to be executed by  
their duly authorized officers.

ATTEST:

\_\_\_\_\_  
City /Town Clerk      Date  
City/Town of municipality's name

\_\_\_\_\_  
City/Town Manager      Date  
City/Town of municipality's name

NOTE: The official signing for the municipality must attach a certified copy of the authority under  
which this agreement is executed.

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Commissioner of Highways  
Commonwealth of Virginia  
Department of Transportation

Project Number: \_\_\_\_\_

UPC: \_\_\_\_\_

Locality: \_\_\_\_\_

Project Location ZIP+4: \_\_\_\_\_

Locality DUNS# \_\_\_\_\_

Locality Address (Incl ZIP+4): \_\_\_\_\_

**Project Narrative**

Scope: \_\_\_\_\_

From: \_\_\_\_\_

To: \_\_\_\_\_

Locality Project Manager Contact Info: \_\_\_\_\_

Department Project Coordinator Contact Info: \_\_\_\_\_

**Project Estimates**

Phase	Estimated Project Costs	Estimated Start Date (month/day/year)	Estimated End Date (month/day/year)	Total Number of Months per Phase
Preliminary Engineering	\$0			0
Right of Way & Utilities	\$0			0
Construction	\$0			0
Total Estimated Cost	\$0	Total Months =		0
Estimate for Billing	\$0			

**Project Cost and Reimbursement**

Phase	Project Allocations	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount	Monthly Locality Payment to VDOT (Local Share Amount divided by Months above)
Preliminary Engineering	\$0			\$0	#DIV/0!
				\$0	#DIV/0!
				\$0	#DIV/0!
Total PE	\$0			\$0	#DIV/0!
Right of Way & Utilities	\$0			\$0	#DIV/0!
				\$0	#DIV/0!
				\$0	#DIV/0!
Total RW	\$0			\$0	#DIV/0!
Construction	\$0			\$0	#DIV/0!
				\$0	#DIV/0!
				\$0	#DIV/0!
Total CN	\$0			\$0	#DIV/0!
Total Estimated Cost	\$0			\$0	#DIV/0!

Total Maximum Reimbursement / Payment by Locality to VDOT

\$0

Total Maximum Reimbursement by VDOT to Locality (Less Local Share and VDOT Expenditures)

**Project Financing**

Fund Source A (Choose from drop down box)	Fund Source B (Choose from drop down box)	Fund Source C (Choose from drop down box)	Fund Source D (Choose from drop down box)	Fund Source E (Choose from drop down box)	Aggregate Allocations (A+B+C+D+E)
\$0	\$0	\$0	\$0	\$0	\$0

**Program and project specific Funding Requirements**

- The project will be constructed and maintained in accordance with VDOT's: \_\_\_\_\_ (List Appropriate Guide or Manual)
- The locality will be billed the locality share above beginning at the project scoping phase for the estimated PE and RW costs. The billing will be adjusted to include the Construct estimate beginning at the award date. (if applicable)
- This Appendix A supersedes any previously listed funding schedule.
- VDOT has billed \_\_\_\_\_ (dollar amount) the locality for this project as of \_\_\_\_\_ (date)
- VDOT has received \_\_\_\_\_ (dollar amount) from the locality for this project as of \_\_\_\_\_ (date)
- The locality shall make equal payments to VDOT as follow: \_\_\_\_\_ over \_\_\_\_\_ months.
- Insert bullets for special funding types (i.e. Enhancement, RUS, Urban, CMAQ, RSTP, HSIP).

This attachment is certified and made an official attachment to this document by the parties to this agreement.

Authorized Locality Official and date

Authorized VDOT Official  
Recommendation and Date

Typed or printed name of person signing

Typed or printed name of person signing

## **Appendix H – Proprietary Signal Guidelines**

### **Virginia Department of Transportation Guidelines For Use Of Proprietary Signal Controllers and Cabinets**

- I. The following procedure is to be used in making public interest findings relative to requests from Municipalities to stockpile proprietary (Brand Name) signal controllers and cabinets, with Federal participation, for installation by contract:
  - A. The following must be furnished by the Municipality making the request:
    1. Number of signalized intersections (fixed-time or traffic actuated, as appropriate) in the Municipality.
    2. Number of signalized intersections (fixed-time or traffic actuated, as appropriate) in the Municipality controlled by the desired proprietary controller.
    3. Number of specific controller(s) and cabinet(s) (Brand name and model) to be stockpiled for a specific project.
    4. Statement of whether proposed stockpiled controller(s) and cabinet(s) will be interconnected to existing signal system. Give description of that system.
    5. Statement that present maintenance personnel have been predominantly trained in the desired proprietary controller.
    6. Statement that present maintenance equipment is designed to service the desired proprietary controller.
    7. Cost estimate for each particular controller and cabinet desired and statement that same will be obtained by means which will result in a cost equal to or less than the acceptable market value at the time of purchase.
  - B. Fixed-time controllers and traffic actuated controllers will be considered separately and, in order for an affirmative public interest finding to be made, the following conditions must be met:
    1. All the information required in Item I.A. must be furnished.
    2. The major number (at least 75%) of existing installations in Item I.A.1. must be of the same brand as that desired.
    3. The number of units to be stockpiled for the specific project is limited to a few installations, dependant upon individual consideration by the Department of location, distances between installations, interconnection coordination, etc., and which will not constitute a totally new traffic control system or subsystem.
- II. The information required in Item I.A. is to be submitted by the municipality through appropriate channels to the Urban Program Manager. The Urban Program Manager will review the information

submitted, with necessary assistance from the Location & Design Division, and in the event the conditions in Item I.B. are met, will make a recommendation to the Scheduling and Contract Division concerning the public interest finding. Copies of supporting data must be attached to the recommendation.

The Scheduling and Contract Division will review the recommendation and supporting data and make a public interest finding accordingly:

- A. On Non Federal Oversight (NFO) projects, the files will be documented by letter, with copies to Urban Program Manager, Location and Design and Fiscal Divisions.
  - B. On Federal Oversight (FO), affirmative public interest findings will be submitted by the Scheduling and Contract Division to the FHWA, requesting their concurrence. Copies of the request will be transmitted to Urban Program Manager, Location and Design, and Fiscal Divisions. Copies of the FHWA response will be transmitted to the same Divisions.
- III. The Scheduling and Contract Division (or locality for locally administered projects) will incorporate a special provision in the proposal documents for the project which advises the Contractor of the specific controller and cabinet which will be furnished by the Municipality and is to be installed by him at project expense.
- IV. Controllers and cabinets purchased and stockpiled by the Municipality will be at the expense of the Municipality. In the event of an affirmative public interest finding and upon installation of the specified equipment, the Municipality will bill the Department, through the normal billing process, for 100% of the receipted invoice price. (District personnel will ensure that the specific equipment installed is that for which the invoice is submitted). The Department will pay the receipted invoice price and will bill the Municipality for their share of the cost through the normal billing process. Accordingly, the FHWA will be billed for their share of the cost.

The total amount of cost increases which occur as a result of changing controller brands or wiring after award of the contract and at the request of a Municipality will be borne by the Municipality.

See the following Example Form Letter for requesting Proprietary Signal Equipment.

# SAMPLE

Project No. \_\_\_\_\_

Subject: Request to Purchase and Stockpile Proprietary  
Signal Equipment

\_\_\_\_\_  
Urban Program Manager  
Virginia Department of Transportation

Dear \_\_\_\_\_:

We hereby request to be permitted to purchase and stockpile the following proprietary signal controller(s) and cabinet(s) for future installation on the above project by the Virginia Department of Highways and Transportation's contractor:

No.	Brand Name & Model Cabinet	Brand Name & Model	Estimated Cost Controller
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The following information is furnished in accordance with the Virginia Department of Transportation Guidelines for Use of Proprietary Signal Controllers and Cabinets:

1. No. of signalized intersections in the Municipality  
Pre-timed \_\_\_\_\_  
Traffic Actuated \_\_\_\_\_
2. No. of signalized intersections controlled by \_\_\_\_\_ controllers  
Pre-timed \_\_\_\_\_  
Traffic Actuated \_\_\_\_\_
3. The \_\_\_\_\_ controller(s) will/will not be interconnected to existing signal system.  
Description of existing system, if to be interconnected (brand of Master Controller, brand(s) of Local Controllers): \_\_\_\_\_  
\_\_\_\_\_
4. Our present maintenance personnel have been predominantly trained in \_\_\_\_\_ controllers.
5. Our present maintenance equipment is designed to service controllers.
6. The equipment for which this request is made will be obtained by means which will result in a cost equal to or less than the acceptable market value at the time of purchase.

Sincerely,



## **Appendix I – UCI Resolution of Intent**

### **Resolution of Intent to Join the Urban Construction Initiative**

WHEREAS, the Section 33.1-23.3(D) of the Code of Virginia permits cities and towns to take responsibility for their construction program;

WHEREAS, the Virginia Department of Transportation has established policy and procedures to administer the urban construction program;

WHEREAS, it is desirable that City/Town Council formally express the City/Town's intent to become a participant in the Urban Construction Initiative;

NOW THEREFORE BE IT RESOLVED, that the City/Town Council of \_\_\_\_\_, Virginia requests the Virginia Department of Transportation to accept this Council Resolution as indicative of their support and intent for the City/Town to participate in the Urban Construction Initiative.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20--

City/Town of \_\_\_\_\_, Virginia

By: \_\_\_\_\_  
Mayor / City/Town Manager

Attest: \_\_\_\_\_  
Clerk of Council

## **Appendix J -** **UCI Sample Program Administration Agreement**

CITY OF \_\_\_\_\_  
Urban Construction Initiative  
Program Administration Agreement

THIS AGREEMENT, made and executed in triplicate as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the City/Town of \_\_\_\_\_, Virginia, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as the CITY/TOWN and the Commonwealth of Virginia, Department of Transportation, hereinafter referred to as the DEPARTMENT; and

WHEREAS, the CITY/TOWN has, in accordance with Section 33.1-23.3 of the Code of Virginia 1950, as amended, expressed its desire to administer its urban system construction program and receive quarterly payments for the state portion of its annual urban construction allocations; and

WHEREAS, the CITY/TOWN has held a public hearing and adopted a capital improvement program of projects and provided an ordinance or resolution approving same to the DEPARTMENT; and

WHEREAS, the Commonwealth Transportation Board adopts a Six-Year Improvement Program annually, and this program includes allocations for urban system projects in the CITY/TOWN, and the federal portion of such construction allocations is identified as a part of 20.205 Highway Planning and Construction in the Catalog of Federal Domestic Assistance; and

WHEREAS, the DEPARTMENT is required to meet specific requirements of the Federal Highway Administration (FHWA) on projects funded by federal transportation funds; and

WHEREAS, both parties have concurred in the CITY's/TOWN's general administration of the design, right-of-way acquisition, utility relocation, and construction of the federally-funded and state-funded projects; and

WHEREAS, DEPARTMENT costs for State Environmental Review Process (SERP) processing, National Environmental Policy Act (NEPA) processing, and project review are eligible project costs and shall be billed to the CITY/TOWN as may be agreed upon prior to project initiation by the CITY/TOWN and DEPARTMENT; and

WHEREAS, the CITY/TOWN may enter into separate agreements with the DEPARTMENT so that the DEPARTMENT may provide services to assist the CITY/TOWN in the administration of specific projects as may be mutually agreed.

NOW THEREFORE, in consideration of the mutual premises contained herein, the parties hereto agree as follows:

- A. For urban system construction projects partially funded by federal highway construction allocations as shown in an approved Six-Year Improvement Program:

- 1. The CITY/TOWN shall:

- a. Be responsible for all regulatory clearances including permits, the design, right-of-way acquisition, utility relocation, inspection, and construction of

projects in accordance with federal and state law and regulations, except the administrative portion of the SERP, and coordinate with the DEPARTMENT for all NEPA scoping decisions, reviews, and approvals.

- b. Receive authorization from the DEPARTMENT before initiating preliminary engineering, right-of-way acquisition, and construction phases of project development.
- c. Maintain accurate records of the projects including documentation of all expenditures. Records for items upon which reimbursement will be requested shall be maintained for no less than three (3) years following FHWA acceptance of the final voucher. Project records shall be made available for inspection and/or audit by the DEPARTMENT or FHWA upon request.
- d. Submit no more frequently than monthly project level invoices with supporting documentation to the DEPARTMENT in the form prescribed by the DEPARTMENT.
- e. Reimburse the DEPARTMENT all project expenses incurred by the DEPARTMENT in the event that the CITY/TOWN cancels a project and/or, due to actions by the CITY/TOWN, the expenditures incurred are not reimbursed by the FHWA or in the event reimbursements are required to be returned to the FHWA.

2. The DEPARTMENT shall:

- a. Perform the administrative portion of the SERP, provide the CITY/TOWN the results of the SERP, and provide the necessary coordination with the FHWA relative to environmental study scoping, design, decisions, reviews, approvals, and financial documentation, as appropriate.
- b. Upon receipt of the CITY's/TOWN's monthly invoices submitted pursuant to paragraph A.1.d, reimburse the CITY/TOWN an amount not to exceed the lesser of the federal portion of the actual cost of eligible items or the amount appropriated and allocated to date for each project. Such reimbursements shall be payable by the DEPARTMENT within 30 calendar days of receipt of a complete and acceptable invoice.

B. For urban system construction projects not financed by federal funds but at least partially financed by state construction funds through the quarterly payments made by the DEPARTMENT to the CITY/TOWN:

1. The CITY/TOWN shall:

- a. Be responsible for all regulatory clearances including permits, the design, right-of-way acquisition and utility relocation, inspection, and construction of projects, except the administrative portion of the SERP, in accordance with federal and state law and regulations pertaining to highways, as applicable.
- b. Maintain such records as necessary to show compliance with law and regulations for a period of three (3) years after the completion of each project and make such records available for audit by the DEPARTMENT upon request.

2. The DEPARTMENT shall perform the administrative portion of the SERP and provide the results to the CITY/TOWN.
- C. For administration of the CITY's/TOWN's entire Urban System Construction Program:
1. The CITY/TOWN shall:
    - a. Manage its highway program in accordance with federal and state law and regulations pertaining to highways, as applicable.
    - b. Prepare each year's capital improvement program of projects so that all federal funds apportioned to the CITY/TOWN shall be obligated within three (3) years of apportionment. If federal funds are unable to be obligated within that time, the CITY/TOWN will notify the DEPARTMENT in writing.
    - c. Provide certification annually in a form prescribed by the DEPARTMENT by a responsible CITY/TOWN official that all urban project activities have been performed in accordance with state and federal laws and regulations. If the CITY/TOWN expends more than \$500,000 in federal funding annually, such certification shall include a copy of the CITY's/TOWN's single program audit prepared in accordance with Office of Management and Budget Circular A-133.
    - d. In cooperation with the DEPARTMENT and pursuant to paragraph C.2.b, annually conduct a joint review of the CITY's/TOWN's urban system construction program.
    - e. Design and construct projects to meet or exceed current American Association of State Highway and Transportation Officials standards or appropriate supplementary standards as may be agreed upon by the DEPARTMENT.
  2. The DEPARTMENT shall:
    - a. Pay the CITY/TOWN the state portion of its annual construction apportionment on a quarterly basis in accordance with Section 33.1-23.3 of the Code of Virginia 1950, as amended. Such payments shall be made no later than the 30<sup>th</sup> day of September, December, March, and June.
    - b. In cooperation with the CITY/TOWN and pursuant to paragraph C.1.d, annually conduct a joint review of the CITY's/TOWN's urban system construction program.
    - c. In Conjunction with the CITY/TOWN, develop, update as needed, and make available to the CITY/TOWN program guidelines to assist the parties in carrying out program responsibilities under this agreement.
    - d. Audit on a random basis urban system construction program and project records as may be required to verify CITY/TOWN compliance with federal and state laws and regulations.

THIS AGREEMENT shall not be construed as a waiver of the CITY's/TOWN's or the Commonwealth of Virginia's sovereign immunity.

THIS AGREEMENT, when properly executed, shall be binding upon both parties, their successors, and assigns.

THIS AGREEMENT may be modified in writing by mutual agreement of both parties.

THIS AGREEMENT may be terminated by either party upon 180 days advanced written notice. Such termination by the CITY/TOWN requires a resolution of the CITY/TOWN Council.

THE CITY/TOWN and DEPARTMENT acknowledge and agree that this agreement has been prepared jointly by the parties and shall be construed simply and in accordance with its fair meaning and not strictly for or against any party.

IN WITNESS WHEREOF, each party here to has caused this Agreement to be executed in triplicate in its name and on behalf of its duly authorized officer as of the day, month, and year first herein written.

**CITY/TOWN OF \_\_\_\_\_, VIRGINIA:**

\_\_\_\_\_  
City/Town Manager

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
City/Town Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

NOTE: The official signing for the CITY/TOWN must attach a certified copy of his or her authority to execute this agreement.

**COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION:**

\_\_\_\_\_  
Commonwealth Transportation Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

## **Appendix K – UCI Accounting & Billing Information**

### **Urban Allocations Paid Directly to the Urban Municipalities**

#### ***UCI***

Accounting/Billing Information  
06/08/05

#### ***State Funding***

Cash payments related to the state allocations (as determined by VDOT Programming/LAD staff) will be paid directly to the locality by VDOT on a quarterly basis.

#### ***Federal Funding***

Federal allocations will be made to the locality on a reimbursement basis at a project level (similar to the method currently used when the locality administers a state project).

VDOT will be responsible for billing FHWA to recoup federally participating costs. Since the federal agreement will be between VDOT and the Federal Highway Administration, it is imperative VDOT be able to support its billing requests. As a result, there will be more documentation required from the Municipalities for costs that are to be federally reimbursed. Below is a summary of what might be required:

- The locality should submit a monthly project level invoice with supporting documentation to VDOT.
- Supporting documentation should include copies vendor invoices approved by the locality (for which payment to the vendor has been initiated by the locality) and a life to date project summary schedule tracking payment requests submitted by the locality, payments received from VDOT and any adjustments made over the life of the project (see sample on attachment A). When the invoice relates to internal labor provided by employees of the locality, the following basic information should be included with the reimbursement request:
  - Project ID
  - Period of Time Covered
  - Amount
- VDOT should make payment to the locality within 30 days after the receipt of the invoice.
- After payment is made to the locality, VDOT shall have a 30-day period to review the invoice and supporting documentation. If VDOT objects to any of the costs, it shall advise the city as to the costs it objects to, and VDOT shall make the adjustments necessary to correct for its objection on payment of the next invoice that is submitted at least 15 days after the locality receives notice of such objection. The locality shall notify VDOT if the locality does not agree with VDOT's objection and the dispute resolution shall be used to resolve such disagreement. If it is determined after such dispute resolution procedure that the cost was appropriate, the locality can then include such amount in an invoice and VDOT will make payment therefore.
- VDOT will bill FHWA to recoup the cash paid to the locality.
- The locality should agree to reimburse VDOT 100% of all related expenditures incurred which are not reimbursed by the Federal Highway Administration due to the recipient's

failure to follow proper federal guidelines and/or the expenditures are found to be federally non-participating items.

### ***Local Match***

When a local match is required, VDOT will require the locality submit documentation to exhibit such funding is applied to each project. This should be done each time a request is made to VDOT for reimbursement of federally participating costs (reference Appendix K Attachment A). In addition, the locality should report annually on the application of the local match application for all projects, even those with no federal funding applied (reference Appendix K Attachment B). The locality should maintain supporting documentation to support numbers reported on both schedules (A and B) and these documents should be retained as outlined below.

### ***Records Retention***

The locality will maintain accurate records of each project and documentation of all expenditures for a period of three (3) years after the final completion of a project unless there is federal funding on the project, in which case the locality will maintain such records for no less than three (3) years following the approval by the Federal Highway Administration of the final voucher. The locality will make such records available for inspection and/or audit by the Department at any time.

# Appendix K Attachment A

## Sample Life to Date Project Summary Schedule Request Federal Reimbursement

Attachment A (Revised 04/09/08)

DRAFT Life to Date Project Summary Schedule - Request to VDOT for Federal Reimbursement

City Name	Hampton	Invoice Number	121314
Project ID/UPC#	AAAAA/UPC 80104	Invoice Date	11/28/2006
Project Description	Metropolis Boulevard	Invoice Amount	\$ 12,000.00
Federal Project ID#	6401538	Billing Period	10/1-10/31/2006

Request Number	Invoice Number	Invoice Date	Invoice Amount	Adjustment Date	Adjustment Amount	Project to Date Request for Reimbursement	Project to Date Collected	Balance Outstanding	Comments
1	1234	07/31/2004	\$ 10,000.00		\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	
2	5678	08/30/2004	\$ 5,300.00		\$ -	\$ 15,300.00	\$ 15,300.00	\$ -	
									Adjustment was made by VDOT due to transposition error on Invoice 5678 (Invoice amount should have been \$3,500 instead of \$5,300)
3	91011	10/30/2004	\$ 7,000.00	09/22/2004	\$ (1,800.00)	\$ 20,500.00	\$ 20,500.00	\$ -	
4	121314	11/28/2004	\$ 12,000.00		\$ -	\$ 32,500.00	\$ 20,500.00	\$ 12,000.00	

Funding Summary Invoice Total					Funding Summary Project Life to Date Total			
Phase	Total Federal Dollars Requested	State Dollars Applied	Local Match Applied	Total Project Expenditures	Total Federal Dollars Requested	State Dollars Applied	Local Match Applied	Total Project Expenditures
Pre, Eng					\$ 10,000.00	\$ 2,250.00	\$ 250.00	\$ 12,500.00
Right of Way					\$ 3,500.00	\$ 787.50	\$ 87.50	\$ 4,375.00
Construction	\$ 12,000.00	\$ 2,700.00	\$ 300.00	\$ 15,000.00	\$ 19,000.00	\$ 4,275.00	\$ 475.00	\$ 23,750.00
Total	\$ 12,000.00	\$ 2,700.00	\$ 300.00	\$ 15,000.00	\$ 32,500.00	\$ 7,312.50	\$ 812.50	\$ 40,625.00

\*This scenario assumes all reimbursements requested of VDOT are eligible federally participating expenses and the Federal participation rate is equal to 80% on all phases of work and a 2% local match is required on this project.

### Certification

I certify that the above invoiced amounts are correctly calculated, the items being requested for payment have been used or installed on the project, and the costs are allowable per state and federal regulations. Documentation to support the invoiced amounts is attached.

\_\_\_\_\_  
Director of Finance



## Appendix K Attachment B

### Sample Annual Project Financial Status Report

DRAFT Annual Project Financial Status Report							
Locality For Fiscal Year Ended		Hampton 06/30/2006					
Project ID	Project Status	Estimated/Actual Completion Date	Estimated/Actual Project Cost	Expenditures to Date	Federal Funding Applied	State Funding Applied	Local Match Applied
00075089	Closed	12/31/2004	\$ 10,000.00	\$ 10,000.00	N/A	\$ 9,800.00	\$ 200.00
00078000	Closed	10/30/2004	\$ 200,000.00	\$ 1,800,000.00	N/A	\$ 1,764,000.00	\$ 36,000.00
00084892	Open	08/31/2007	\$ 350,000.00	\$ 100,000.00	\$ 80,000.00	\$ 20,000.00	Not Required
00082001	Not started	12/31/2010	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
AAAAA	Open	06/30/2006	\$ 204,000.00	\$ 40,625.00	\$ 32,500.00	\$ 7,312.50	\$ 812.50
Total			\$ 814,000.00	\$ 1,950,625.00	\$ 112,500.00	\$ 1,801,112.50	\$ 37,012.50
<b>Summary:</b>							
Allocations through FY06*		\$	5,000,000.00				
Plus Interest earned		\$	250,000.00				
Less: State Allocations Applied Through FY06		\$	(1,801,112.50)				
Balance Remaining		\$	3,448,887.50				
VDOT Fiscal Division							

## **Appendix K cont.**

### **UCI Payment/Billing Process Scenarios**

Process Quarterly payment of state urban allocation to City of Hampton in the amount of \$2,000,000.

Speedtype	Speedtype Value	City	Org	Operational Project	Account	Activity	Debit	Credit
CSC	1205002	114	10500	N/A	1431	N/A	2,000,000	
	Cash							2,000,000

- State urban allocation funds, as shown as “Formula City Payment” line items in the VDOT Integrated Six Year Program (ISYP) will be paid direct to the UCI in quarterly installments.
- LAD will process these payments.

VDOT performs billable PE work in the amount of \$10,000 on a UCI project in the City of Hampton (project XXXXX). This project has no Federal participation.

Speedtype	Speedtype Value	City	DeptID	Project	Account	Activity	Debit	Credit
Project ID	*****	114	10500*	XXXXX	**	716***	10,000	
	Cash							10,000

- One project ID will be established for each scope of work (by LAD)
- The project ID's are linked to the project UPC already established
- These project ID's will not be in the VDOT Integrated Six Year Improvement Plan (ISYP).
- One contract will be established in Cardinal for each operational project to define billing parameters. (LAD will need to supply a contract request form to Fiscal Division in order to trigger this event).
- A progress bill (for each project ID) will be sent to the city as expenses are incurred by VDOT (this will be a monthly billing).
- A cost component report can be made available on request.
- These expenses will need to be estimated and budgeted in the appropriate District.
- Each District should monitor charges against this project ID and project UPC to ensure erroneous charges are not occurring.

VDOT performs billable Construction phase work in the amount of \$7,000 on a UCI project in the City of Hampton (project YYYYYY). This project has Federal participation and a UPC is listed in the ISYP (AAAAA).

Speedtype	Speedtype Value	City	DeptID	Project	Account	Activity	Debit	Credit
Project ID	YYYYYY	114	10500*	YYYYYY	**	731***	7,000	
	Cash							7,000

- One project ID will be established for each scope of work (by LAD)
- These operational projects will not be in the VDOT Integrated Six Year Improvement Plan (however, they will be related to UPC projects established in the plan representing the Federal Funding Source).
- One contract will be established in Cardinal for each project ID to define billing parameters. (LAD will need to supply a contract request form to Fiscal Division in order to trigger this event).
- A progress bill (for each project ID) will be sent to the city as expenses are incurred by VDOT (this will be a monthly billing).
- A cost component report can be made available on request.
- These expenses will need to be estimated and budgeted in the appropriate District.
- Each District should monitor charges against project ID to ensure erroneous charges are not occurring.

**City of Hampton incurs \$8,000 in Federally participating expenses on Construction phase work for a Federally participating project (AAAAA) provided by ACME Construction Company. They also incur \$7,000 in Federally participating expenses on Construction phase work for the same project (AAAAA) provided by VDOT (reference previous transaction). The city submits an invoice in the amount of \$12,000 to VDOT to reimburse them for the federal participation on the combined expenses (80% of \$15,000 [\$8,000 + \$7,000]). Reference the attached sample invoice for details.**

Speedtype	Speedtype Value	City	Org	Operational Project	Account	Activity	Debit	Credit
Project ID	AAAAA	Project City	Project Org	N/A	5014310	631***	12,000	
Project ID	AAAAA	Project City	Project Org	N/A	50232302	631***	2,700	
Project ID	AAAAA	Project City	Project Org	N/A	50232302	731***	300	
Project ID	AAAAA	Project City	Project Org	N/A	50232302	631***		2,700
Project ID	AAAAA	Project City	Project Org	N/A	50232302	731***		300

- Each project with Federal funding will be listed in VDOT ISYP (only the federal funds will be allocated since the state match has already been funded through the quarterly formula payments made to the city –reference the first transaction shown).

- In-kind accounts will be used to track the state allocation and local match applied to each project with Federal participation.
- In total, the project expenses will total only the Federal share (\$12,000 in this case), however, participating activity expenses (\$15,000 [\$12,000 + \$2,700 + \$300]) will represent Federal, state and local expenses. This will ensure FHWA is billed properly, provided the contract is set up in Cardinal (Program Management Division will provide this agreement to Fiscal Division).

\*DeptID code utilized should represent organizational unit providing the service.

\*\* As appropriate

\*\*\*Standard activity codes should be utilized as follows:

PE Phase	616, 716
ROW Phase	674, 774
CONST Phase	631, 731

# Appendix L – UCI Project Funding Worksheet

Urban Construction Initiative (UCI) Project Funding Worksheet

Date \_\_\_\_\_

Project Number: \_\_\_\_\_

UPC: \_\_\_\_\_

Locality: \_\_\_\_\_

Project Narrative	
Scope:	Prices Fork Road
From:	
To:	
Locality Project Manager Contact Info:	
Department Project Coordinator Contact Info:	

Project Estimates				
	Preliminary Engineering	Right of Way and Utilities	Construction	Total Estimated Cost
Estimated Locality Project Expenses	\$0	\$0	\$0	\$0
Estimated VDOT Project Expenses	\$0	\$0	\$0	\$0
Estimated Total Project Costs	\$250,609	\$159,169	\$928,617	\$1,338,395

Project Cost and Reimbursement						
Phase	Estimated Project Costs	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount	Maximum Reimbursement (Estimated Cost - Local Share)	Estimated Reimbursement to Locality (Max. Reimbursement - Est. VDOT Expenses)
Preliminary Engineering	\$0		2% paid to locality			
Pre UCI	\$269,166	Urban		\$0	\$269,166	
	\$0			\$0	\$0	
Total PE	\$269,166			\$0	\$269,166	\$269,166
Right of Way & Utilities			2% paid to locality		\$0	
Pre UCI	\$18,557	Urban		\$0	\$18,557	
UCI	\$140,612	Urban	20%	\$28,122	\$112,490	
Total RW	\$159,169			\$28,122	\$131,047	\$131,047
Construction	\$928,617	Urban	20%	\$185,723	\$742,894	
UCI	\$0		0%	\$0	\$0	
Total CN	\$928,617			\$185,723	\$742,894	\$742,894
Total Estimated Cost	\$1,355,952			\$213,846	\$1,143,106	\$1,143,106

Total Maximum Reimbursement by VDOT to Locality (Less Local Share)	\$1,143,106
Estimated Total Reimbursement by VDOT to Locality (Less Local Share and VDOT Expenses)	\$1,143,106

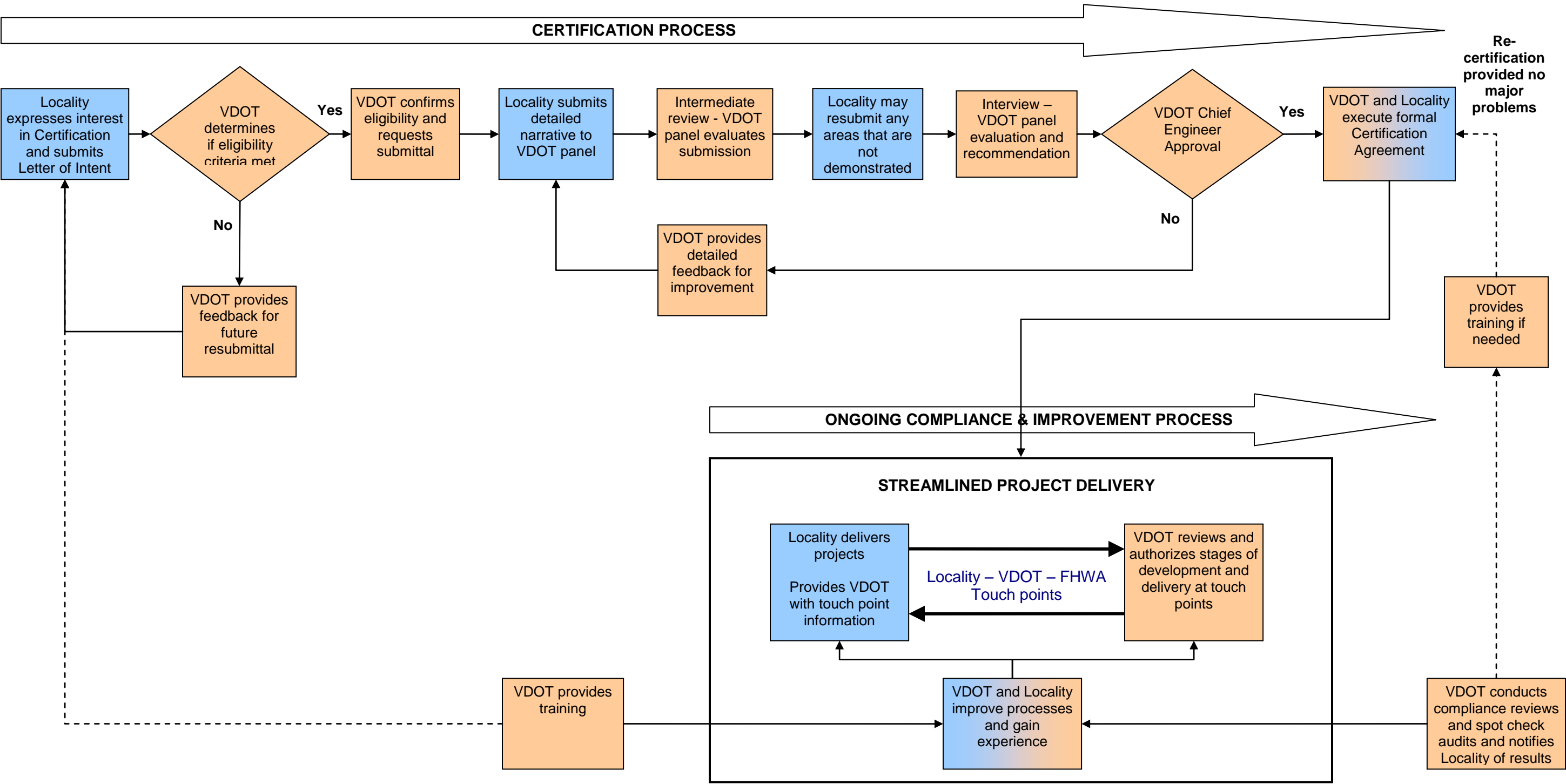
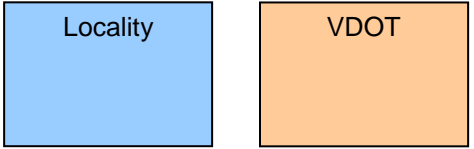
Project Financing							
Federal 80%	State Match 18%	Local Match 2%		Federal 80%	Quarterly Payments	Local Funds	Aggregate Allocations (A+B+C+D+E+F)
\$215,333	\$48,450	\$5,383		\$855,383	\$192,461	\$21,385	\$1,338,395

Program and project Specific Funding Requirements			
• The total expenditures prior to UCI participation is	\$269,166		
• The total expenditures as of 3/11/2013 is	\$1,338,395		
• This is a limited funds project. The locality shall be responsible for any additional funding in excess of	\$1,124,648		
• The total project deficit is	\$213,846	as of	3/11/2013

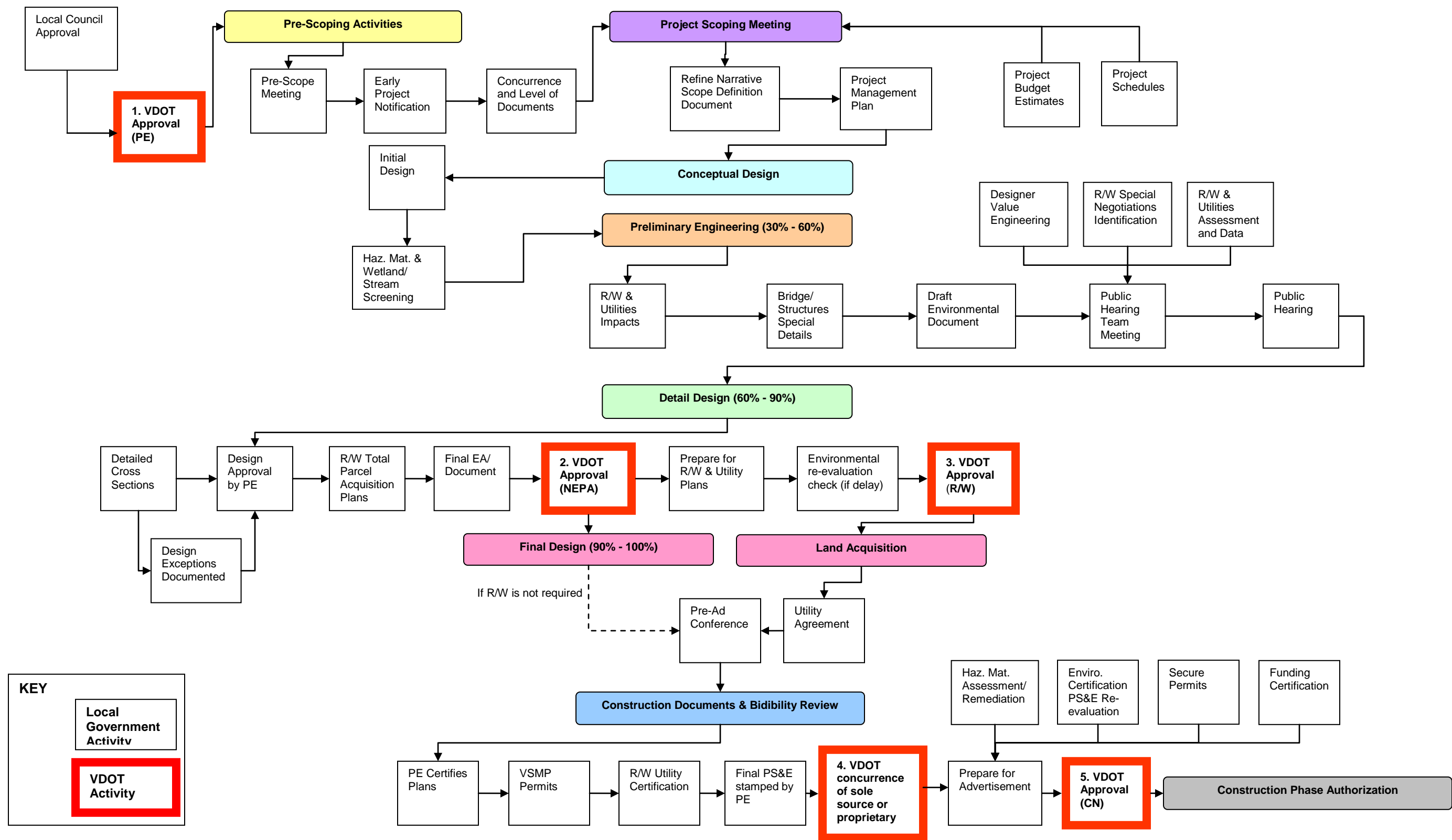
Version 8/19/11

**Appendix M Certification and Compliance  
Process Visual Outline**

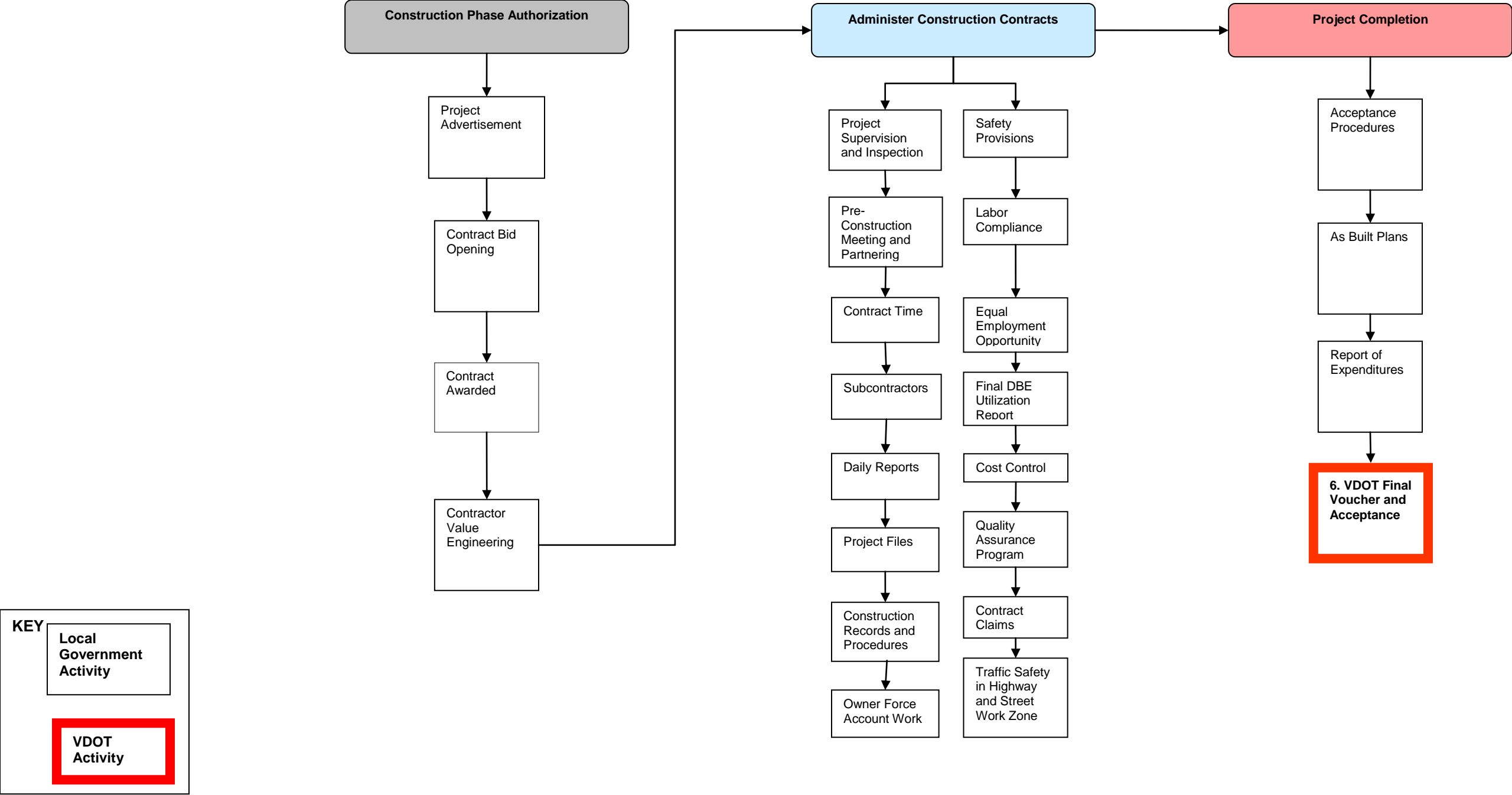
Key



Appendix N - Project Development



**Appendix N cont. - Project Construction**





## **Appendix O - Program Management Roles and Responsibilities**

<b>Topic</b>		<b>Locality</b>	<b>VDOT</b>
1	Fiscal, Audit and Budget	Ensure that project meets Federal-Aid Payment requirements Maintain project documentation Conduct annual independent audit of expenditure according to OMB Circular A-133 Submit invoices at least quarterly	Carry out random audits, notify findings and request appropriate and timely corrective action
2	Civil Rights	Comply with VDOT's DBE Program Plan unless the Locality has a DBE Program Plan approved by USDOT Establish a DBE availability goal and include in bid document Use DBEs certified by VDOT	Obtain approval of the USDOT approval letter for the DBE Program Plan for highways
3	Compliance & Improvement (Quality Assurance and Control)	Develop and implement a QA/QC system to meet VDOT compliance including design QC plan and construction QC/QA requirements Provide information to VDOT that is requested as part of reviews	Lead the Certification Compliance and Improvement process Carry out spot checks on delivery process and communicate findings to Locality
4	Public Affairs and Outreach Plan	Prepare a project specific outreach plan and comply with it	
5	Consultant Procurement	Demonstrate method for acquiring suitably qualified consultants according to Virginia Public Procurement Act	
6	Project Controls	Prepare and update initial baseline schedule Prepare progress schedule Issue recovery schedules where applicable Plan and monitor costs	

## **Appendix P - Project Delivery Roles and Responsibilities**

<b>Topic</b>		<b>Locality</b>	<b>VDOT</b>
1	Preliminary Engineering (PE) Authorization	Contact Urban Program Manager to request that VDOT obtain federal agreement to authorize preliminary engineering	Obtain PE Authorization from FHWA
2	NEPA documentation	Ensure that all federal requirements under NEPA have been completed	Liaise with FHWA Review and approve
3	Right-of-Way (RW) Authorization	Submit a request for Right-of-Way Authorization along with certification letter certifying to VDOT that all activities necessary to obtain R/W or relocate utilities have been complete and all documents have been signed by person of responsible charge	Obtain RW Authorization from FHWA
4	Sole source or proprietary procurement	Provide relevant justification information and documentation to VDOT	Obtain concurrence from FHWA
5	Construction (CN) Authorization	Submit a request for Construction Authorization along with certification letter certifying to VDOT that all activities necessary to advertise the project for construction have been completed and all documents have been signed by person of responsible charge	Obtain CN Authorization from FHWA
6	Award of Construction Contract	Submit Civil Rights information as outlined in Chapter 12.6 of the LAP Manual and provide bid information for funding verification.	Review Civil Rights information and approve. Revise FHWA financial agreement (funding verification) as necessary

7	Project Final Inspection and Acceptance	Inform VDOT that project is complete and provide final invoice for processing	Process federal financial closure
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## **Appendix Q - Certification Evaluation Timeline**

<b>No. Days</b>	<b>Event</b>	<b>Details</b>
	Letter of Intent	Locality initiates process with Letter of Intent. Letter contains Locality's reasons for believing that it meets eligibility criteria. Letter is brief, 2 pages max.
30	VDOT Response	VDOT-LAD advises Locality in writing if they have met eligibility criteria or not. If not, feedback is provided for future re-submittal. If eligible, VDOT advises Locality of panel members and requests full submittal.
Up to 90	Submittal	Locality submits detailed information based on Certification Requirements.
60	Intermediate Review	VDOT completes review and identifies any concerns, known as Non Demonstrated areas. Summary comments communicated to Locality by LAD.
30	Interview/ Presentation	Locality presentation to panel should focus on identified Non Demonstrated areas. Locality resubmits documents at interview on areas of concern.
	Recommendation	Panel makes recommendation to Chief Engineer.
30	Result	Chief Engineer makes decision. LAD notifies Locality of result.
Max schedule = 240 days = 8 months		